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The Nation's Business

The Customs Board an Autocratic Government Body
F. W. Molson Dies
Sir Joseph Flavelle, Optimistic and Conservative

IN THIS democratic country we have in existence one of the most autocratic bodies anywhere. A little bit of autocracy is a very good thing and the autocratic body to which we refer has done a great deal of very useful work. And it consists of a group of excellent and well informed men. Despite all this The Financial Post feels, after a considerable study of its workings, that its final authority should be hedged about.

The autocratic body to which reference is made is the Federal Board of Customs. Whenever a doubt arises as to the interpretation of any tariff item or as to a matter of sales tax incidence, the Board of Customs is called upon to adjudicate. It is, then, largely a judicial body.

If, for instance, an importer has a difference of opinion with the customs department on the proper duty to be charged on a certain item the matter is referred to the Customs Board. And the Customs Board consists entirely of members of the Customs service. Thus one of the disputants becomes the judge. This is quite obviously wrong in principle and it is certain on occasion to work grave injustices to business men.

* * *

RECENTLY a business house questioned the ruling of a local appraiser on a certain item. This item was a part for a machine that itself came in duty free. Yet the appraiser ruled that the part was dutiable, thus over-riding the ancient mathematical theory that the whole is the sum total of the parts. When the importer wrote to the customs department at Ottawa he was told that the Board of Customs had confirmed the ruling and that therefore the department was powerless to help. The letter from the department was signed by an officer of the department, who was one of the members of the board. This was a most dexterous dodging of the responsibility for an absurd ruling, and demonstrated the unfairness of allowing officials of the department every once in a while to become judges and, as judges, to rule upon their own acts as officials.

* * *

WERE there any adequate appeal from the rulings of the Federal Board of Customs one might reasonably defend the board as a purely administrative body. But there is no such adequate provision for appeal. Appeals must be taken to the cabinet. The weakness in this is that the tendency of the cabinet will always be to stand by the opinion of the minister in charge of the department in question, while in turn the minister will always be inclined to assume that his deputies and officials know more about the matter under discussion than any one outside. Moreover, customs and tax rulings are rather technical matters that can hardly be argued out completely and properly in cabinet council.

* * *

IT WAS notable that while Sir Joseph Flavelle, in his presidential remarks at the National Trust meeting this week, threw out some sound words of caution regarding current prices in security markets he did not definitely express the opinion that markets had run ahead of the prospects for development in the country. Sir Joseph stated that inflation in values is bound to result from uncontrolled optimism. The real danger, he declared, will result from considering the favorable features in the present situation without taking account of possible unfavorable features.

Sir Joseph's remarks were conservative and at the same time encouraging. He emphasized the value of discrimination in investment. Sir Joseph is apparently very much of an optimist on Canada and sees great opportunities for the amassing of wealth in this country but he sees clearly the need for prudence and sanity and he discards as at once the idea that enterprises undertaken in this country are likely to meet with universal success. This is a very sound way to be the conservative optimist that Canada needs to-day.

* * *

FRED W. MOLSON, who died in Montreal this week, was probably one of the half a dozen wealthiest men in Canada, and one of a small group of Montreal financiers who have for a number of years been the most important financial group in Canada. When one considers that Mr. Molson was a director of the Bank of Montreal, C.P.R., Bell Telephone, Dominion Bridge, Montreal Trust, Canadian Steamship Lines and many other companies, in addition to being managing head of the Molsons Breweries, one understands how important has been his contribution to the financial advancement of Canada.

Mr. Molson was the son of a very wealthy father. He was of the third generation of Molson's, who have maintained a family tradition of business success through the inherited abilities of men like Fred Molson. Like T. B. Macaulay, Ross H. McMaster and H. C. Cox, Mr. Molson was spared the early years of struggle to amass an initial capital but also like these other men he used this advantage to make his business life more full. Mr. Molson's case proves that being born wealthy is not in itself either a handicap or an advantage.

BRITISHERS SAY THEY OWN GRAND TRUNK

Contend Parliament Had No Power to Alter Shares

C. N. R. PLANS HIT

Petition Puts Quietus on Plan to Recapitalize Whole Canadian National System

From Our Own Correspondent

OTTAWA.—A direct attack upon the present solidarity of the railway system comprising the Canadian National Railways, has been delivered by the junior shareholders of the old Grand Trunk Railway Company. By the word "solidarity" is meant that these shareholders now seek to wrest an important part of the publicly-owned system out of the control of the government and vest it, once more, in private hands.

As an alternative to losing the Grand Trunk lines it is to be presumed that the Canadian parliament might satisfy the claims of these shareholders by paying out the par value of the shares they hold—or, roughly $180,000,000.

Ask Return of Property

This is the sensational development which has taken place in railway and government circles during the past week. Told in chronological order, the story is as follows: Early this week Hon. Ernest Lapointe, minister of justice, received a petition of right sent by the junior shareholders of the Grand Trunk Railway from London, Eng., and drawn up, it is said, by such distinguished lawyers as Sir John Simon and the younger Asquith. In this petition the shareholders claim the right to proceed against the government in the courts of Canada for the restitution of their property—the Grand Trunk Railway. The petition created quite a stir on parliament hill and was sent from one department to another until finally, it is understood, it ended up once more in the department of justice. The government up to date has not considered the petition and is not likely to do so for some time.

Junior Got Nothing

The background of this dispute will be remembered by all who followed the railway policies of the Union government. When the Grand Trunk became bankrupt and the government took it over, the question of compensation to the shareholders of the company was referred to an Arbitration Board. The board, in due course, made a report and fixed the sum and the government paid this sum. Of course it was not large enough, by a long shot, to pay off all the shareholders. The senior liabilities of the company were paid something and the junior liabilities were wiped out. This is the usual course of procedure in all bankruptcies. The junior shareholders, whose investment amounted to about $180,000,000, never accepted this settlement and have been most persistent in seeking more generous treatment. The government, however, whether Liberal or Conservative, has never held out the slightest hope of any reconsideration of the settlement reached when the road was taken over. And now after long years of negotiation, the shareholders have formed a company and are claiming the right to test their position in the courts.

As far as may be learned here, the counsel for the shareholders base their claim upon constitutional ground. They claim that the Grand Trunk Acquisition Act, by which the road was acquired, is ultra vires of the Dominion parliament, or, in other words, that the Dominion parliament did not and does not possess the power necessary to enact the provisions of this statute.

No Power to Legislate

What was done in the act of acquisition? The statute provided that the shares of the Grand Trunk Company would be vested in the minister of finance and that the owners of these shares should cease to have any authority over the railway property or management. It is on this point that the shareholders assail the statute. They argue, through their counsel, that while the Dominion parliament has power to control railways and legislate in regard to them, the constitutional position in regard to shares is quite different. Shares, they assert, are bits of paper, property, and therefore come under the constitutional provisions respecting property and civil rights. Under the British North America Act property and civil rights are under the exclusive legislative authority of the provinces. The case for the shareholders, therefore, boils down to the claim that the Dominion parliament could not legislate in regard to their shares. If this case is sound, then the Grand Trunk Acquisition Act is unconstitutional and would be declared null and void by the courts. In this event the shareholders at once would step in and endeavor to

(Continued on page 2, col. 6)

Consumers Gas Co. New Issue of Stock Soon to be Offered

Public Tender, Rather Than Auction, Probably Is Planned

RIGHTS ARE TABOO

Government Ruling Against Allotment Will be Obeyed in Spirit as Well as in Letter

Announcement is expected within two weeks as to an issue of stock in Consumers Gas Co. of Toronto. By direction of the Ontario cabinet, the company must not sell its stock to its present shareholders by pro rata allotment, but must dispose of it by public tender or by auction.

While it is understood that the directors and management were strongly in favor of continuing the practice of selling new stock pro rata among existing shareholders—a practice which had prevailed since 1913—it is believed that the other method will be given every chance of success. As it is deemed probable that sale by tender will be more satisfactory than a public auction, it is likely that tenders will be sought, subject to minimum prices fixed by the board.

Sells on 5% Basis

The pro-rata allotment method of acquiring new capital was favored by the directors because of the low cost of new capital and because, through occasional rights, the shares were in public demand for the possibilities of appreciation as well as for their security.

Consumers Gas Co. dividends are limited to 10 per cent. per annum under the special act of the legislature under which the company is chartered. Thus, minus the attraction of occasional rights, the shares, having been at their maximum dividend rate for many years, are attractive to the investor just as a bond is attractive. Consumers Gas has no bonds or other securities ranking ahead of the $12,000,000 of stock.

It is interesting to note that, following the initial slump when the government's pronounciamiento was made public, the stock has been stronger in the market. The present price is 195, compared with a recent high of 210 which probably was reached on the assumption that there would be rights during 1928.

Directors and management of the company possibly hold the opinion that it is merely in the interest of the company, and, hence, in the ultimate interest of the shareholders, that the Ontario government's ruling be obeyed in spirit as well as in letter. Thus it is reported indirectly that various means of making the public fully aware of the proposal to call for tenders, and to direct wide attention to the investment opportunity, are being studied.

Would Obviate Criticism

It is thought likely that the directors are determined that if the plans of disposal of the stock to be followed fail to achieve the purpose of getting the company the additional capital it needs at a minimum expense, the reason for such failure will lie in the plans of sale and not in the methods of carrying out the plans.

It will be recalled that Consumers Gas Co., which had issued all its authorized share capital, ($12,000,000), last year applied to the Ontario government to increase the authorized capital to $25,000,000. There was an outcry from civic politicians who claimed that the gas company was preparing to cut a melon for the benefit of its shareholders. As a consequence, the premier of Ontario, who dealt with a number of matters, decided that with the increase in authorized capital, the company must restrict its commitments to 10 per cent. per year and to sell stock by public tender or by auction. In all other matters before the government, the ruling was in favor of the gas company.

Corrugated Paper Box Reports Real Activity

Whilst figures of earnings are not yet available for publication, it is understood that a satisfactory statement of earnings featured the last quarterly directors' meeting of the Corrugated Paper Box Company, of Toronto. Earnings are being maintained at a rate which indicates that the company is enjoying an excellent year. A satisfactory position is reported by the company's Winnipeg subsidiary, Hilton Bros, Ltd. Present indications are that combined earnings for the first year's operations of the new company can be conservatively estimated at $2.50 per share on the common stock.

Both the Toronto and Winnipeg plants are at present operating at full time which constitutes a record for the company for January production. Orders on hand are reported to be sufficient for full production for some time.

Loblaw Split Soon New Stocks at $10

A four-for-one split in the shares of Loblaw Groceterias is expected within a week.

The split will be followed by rights. The shareholders likely will be offered new shares at $10 in the proportion of one to ten.

FINE PAPER MILLS NOT HIT BY CHANGE IN PAPER TARIFF

Publishers Reply to Comments of Paper Mills' Spokesman

Comments of Harold Crabtree, chairman of the Book and Writing Section of the Canadian Pulp and Paper Association, in his annual report delivered in Montreal two weeks ago drew fire from the magazine and agricultural paper publishers this week. Mr. Crabtree, in his report pointed out that the production of book and writing papers had increased by 7.5 per cent. during 1928 and had touched a total of 60,000 tons, of which 95 per cent. was used in Canada. But he complained about the increase in importation of these classes of paper from 4,268 tons in 1927 to 6,041 tons in 1928 and attributed this increased importation to the new item in the last Canadian tariff providing a drawback of 80 per cent. of the duty on paper imported for the production of magazines or agricultural journals.

Only 800 Tons Got Duty Cut

A spokesman for the farm papers and magazines this week pointed out that the increased production of the paper manufacturers was in a measure directly due to the growth of the Canadian periodicals. He pointed out that not more than 800 tons of the increased importations could possibly have been subject to the drawback and that this amount was not more than 1.23 per cent. of the 1928 production of the Canadian mills. Most of the increased importation, he considered, to be in the special and fancy grades of paper not made in Canada and which were in greater demand because of increased prosperity in Canada. Moreover, he pointed out that Canadian mills during the year did not show any particular desire to go after orders for Canada from Canadian publishers and finished 1928 with their machines booked to capacity.

Strong objection is taken to the statement of the paper makers that the "book paper industry of Canada cannot thrive without reasonable protection against overwhelming competition from overseas. "This overwhelming competition simply does not exist," it was stated "The industry is more than adequately protected. The amount of paper that is subject to the drawback clause is not more than 4,000 tons per year and the actual importations of this nature are only a fifth of that or 1.33 per cent. of the total production of Canadian mills. And this 1.33 per cent. will not be imported when Canadian papermakers adopt a reasonable attitude towards their Canadian buyers."

Reflection on Tariff Board

Mr. Crabtree's statement that the book paper makers were not given a fair opportunity to present their case to the tariff board is called an unwarranted reflection upon the minister of finance and the tariff board. It is pointed out that the paper makers were given opportunity to present a reply to the submissions of the publishers and did so submit extensive data. The publishers, after examining this data, felt that it did not affect their original case and did not make a counter-reply. Thus the paper makers had the final word.

WESTERN STEEL PRODUCTS

Western Steel Products common and preferred stock, which now are traded on the unlisted section of the Toronto stock exchange, began auspiciously. The common moved up from 40 to 46, but sold back to 41 on Wednesday, presumably on profit-taking.

W. C. Pitfield of W. C. Pitfield & Co. has been elected to the board of Cockshutt Plow to succeed Edward Fitzgerald, who has resigned.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 6	121.9	109.6
Week of Jan. 30	113.9	105.6
Month of January, 1928	95.6	81.6
8 Bank Stocks		
Week of Feb. 6	324	316
Week of Jan. 30	320	314
Month of January, 1928	298	287
10 Public Utilities		
Week of Feb. 6	125	118
Week of Jan. 30	122	117
Month of January, 1928	111	104

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	6	.	8
Paper	11	6	6	23
Steel	20	12	18	50
Foodstuffs	17	16	25	58
Utilities	17	2	16	35
Tractions	8	4	7	14
Textiles	7	4	13	24
Industrials	43	28	44	115
Total	120	78	129	327

WHEAT'S RISE ADDS MILLIONS TO WEST'S CASH

Feeling is Optimistic For Still Higher Levels

CONSUMPTION HIGH

Shipments of Wheat Around World Are Running at Highest on Record

Recent advances in wheat prices have resulted in bringing back to the grain market a good deal of attention, which in past months has been diverted to the stock markets. When the year opened, the market on January 2nd stood at $1.17 for No. 1 Northern cash wheat. On Monday of this week the spot price for No. 1 was $1.25⅝.

	Jan. 2	Feb. 4
Cash wheat	$1.17	$1.25⅝
May option	1.22	1.29⅝
July option	1.23¾	1.31⅛
October option	1.23¼	1.29⅛

On January 2, the average prices for the season from August 1 worked out at $1.19⅝ for No. 1 Northern, $1.14⅞ for No. 2 Northern, $1.09 for No. 3 Northern, and $1.02¾ for No. 4. No 1 Northern is so scarce a commodity this year that its cash price should hardly be figured in the average. On the basis of 3 and 4 wheat the advances of the past month represent an increase in the average value of Canadian wheat remaining unsold at that date of 8c. a bushel, and an increase in wealth to Western Canada of from 10 to 20 million dollars. The amount cannot be calculated with exactness because of uncertainty as to the amount of wheat on hand already sold for future delivery on the basis of lower prices earlier prevailing.

Optimistic for Rise

A good deal of optimism has recently been felt with respect to possibility of still further advances in value. Undoubtedly the world had available for its export trade at the beginning of January, more wheat than in any previous year at such a time. World markets, however, were thoroughly informed of the supplies available. Everyone knew that Western Canada last year had the biggest crop in its history, that the United States had produced a very large export surplus, and that the Argentine and Australia had successfully harvested their crops. The wheat, so to speak, was all in the show window and the wheat markets seemed to be then exposed to the maximum possible in the way of depressing factors. In spite of that, wheat has advanced in price due to three important causes.

Use Up World's Surplus

One has been increased consumption due to low prices, leading to the belief that the world might use all its available wheat surplus sooner than had previously been anticipated. Another strengthening factor was apprehension about the winter wheat crop of the central United States. It is really impossible to tell how winter wheat comes through the winter until the growing season is well advanced in the following spring. Last winter, it will be remembered, was thought to be very unfavorable, and in the early spring the condition of winter wheat was reported to be decidedly poor, but it revived rapidly under favorable growing conditions, giving a much larger ultimate return than earlier was believed possible. Nevertheless the market watches very closely conditions during the winter in order to estimate possible damage. This year the cold in the central States has been intense. Wheat can stand a good deal of freezing, and more important is the consideration that the snow covering has been inadequate so the frost is being driven further into the ground than usual. A mid-winter thaw followed by a further freeze-up might, it is thought, do a good deal of damage under present conditions. Should such conditions occur it is likely that the market would respond rather sharply to the situation in the way of higher prices.

"Hunch" Against Big Crop

There is also a good deal of doubt as to the ability of Western Canada to produce another big crop in 1929. In so far as that doubt is based on "hunch," it is not very significant. A year ago it was doubted if the big crop of 1927 could be followed by one of corresponding size. There is, however, a factor of danger in the dry condition of prairie soils. There was very little rain in any part of the West last fall. The country will start the spring lacking both large reserves of moisture frozen in the soil and large areas of open water, provided last year by full sloughs and ditches. Adequate spring precipitation would overcome the situation, but nothing gives greater confidence about a forthcoming crop than plenty of reserve moisture in the ground, and that is lacking this year.

The condition of the Western crop is not likely to be an important factor in the market until well on in the summer. The West usually manages to get its crop seeded to its satisfaction, and in May and early June there is usually plenty of optimism as to the outcome of the year. As a rule it is not until July that the West becomes apprehensive about its growing crop.

July and October

July wheat usually goes to a considerable premium over October, because in July world supplies are running light and it is anticipated that there will be plenty of wheat in October. Such a premium does not necessarily obtain, and it will be remembered that last year July wheat

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Smelters' Shares Still Promising at Current Levels

Wild Fluctuations Bear No Relation to Future Potentialities

STOCK CLOSELY HELD

Company Owns Properties and Options in Mineral Belts From Coast to Coast

From Our Own Correspondent

MONTREAL. — Consolidated Smelters has been selling anywhere from $500 to $600 during the past week. The fact that sales have taken place at both prices has no real bearing on the speculative merits of the shares. Smelters looks to be almost as good a long hold speculation at $600 as at $500; after all, a 100 point movement in the stock is only the equivalent of a 20 point fluctuation in a stock selling at $100—and this is a narrow margin of fluctuation for any mining stock—particularly one which is obviously so closely held as Consolidated Smelters.

All informed speculative and investment opinion here seems to feel that Smelters is undoubtedly a highly attractive stock, even as high as the $600 level. The market now values Smelters at roughly $250,000,000. This compares with a market valuation of around $1,000,000,000 for International Nickel. Many shrewd investors now feel that International Nickel, while still attractive, is not equally attractive as Smelters.

Sullivan Mine is Backbone

Consolidated Smelters can continue producing ore from its Sullivan Mine for years. The management has never seen fit to make any announcement touching the ore reserves on this property. Obviously, the ore reserves are not limitless—but the present day holder of Smelters can rest assured that this property, which is the backbone of Smelters' undertakings, will continue producing its present tonnage for many a long year to come. While every bucket-full of ore taken out of the Sullivan property reduces the company's resources, yet the holder of these shares need never worry about the mine petering out. It is safe to say that the life of the mine will be such that it need not be taken into consideration in attempting to assess the merits of the stock around its present level.

Holds Many Options

In addition to obtaining tremendous revenues annually from the Sullivan property the Consolidated Mining and Smelting Company management has been extremely aggressive in going out into the highways and byways of the mineral world and purchasing or optioning desirable properties. Incidentally, the Smelters' management has shown much more ability in this direction than the management of some other prominent Canadian mineral undertakings.

Through the control of Coast Copper and the Buena Vista mines, Smelters has already achieved successes which stand every possibility of being enlarged in the future. Coupled with this it has other large and more promising holdings which as yet are in the prospect stage. But out of a large number of more than ordinary prospects, it is no stretch of the imagination to presume that the company may produce other successes.

From Coast to Coast

Canada may produce no more Sullivan mines, but that it will produce other successful operations of great magnitude is certain. And in the development of other successful properties, Consolidated Smelters stands every chance of having a finger in the pie. Already, excluding Smelters' ownership, or part ownership, in such promising holdings as those located in Northern Saskatchewan, the company owns or has options on mineral areas in every province. Its holdings stretch along the mineral belt which runs from Nova Scotia through New Brunswick, Gaspé, Northern Ontario, Quebec and the more northerly areas of the western provinces, right through to the Pacific coast. Most of these holdings are, of course, wildcats. But the Sullivan, the Hollinger and the International Nickel property were at one time wildcats.

From its earnings, Smelters is in a position to speed large sums proving these properties. The management may not be successful in this endeavor. But this has little bearing on the merits of the shares, for the investment merits of the stock depend solely on its speculative merits. Hence, the stock is only one to be included in a diversified list.

Talk of Share Split

Time and again there has been talk of a split in the shares of Smelters. Both boosters, brokers and investors have urged it. But the management, apparently, desires to see no split up.

While the C. P. R. owns virtually 50 per cent. of the stock, there is another 40 per cent. closely held and

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Can. Pac. Profits Big on "Smelters"

From Our Own Correspondent

MONTREAL. — C. P. R.'s holdings of Smelters stock now has the current market value of some $139,500,000. This is equivalent to $46 a share on each share of Canadian Pacific stock presently outstanding. The company's holdings of virtually half the outstanding stock of Consolidated Smelters, are carried in the C.P.R.'s balance sheet in a total of miscellaneous investments having a par value of $47,000,000. But the balance sheet carries these investments at merely $25,900,000.

GOVERNMENT MAY MODIFY DEMAND OF "50% BRITISH"

But at Moment is Strictly Enforcing New Preference Rule

From Our Own Correspondent

OTTAWA.—The new regulation increasing the British content of material or labor necessary to qualify for the British preferential tariff went into effect on February 1 without change or amendment. The regulation increased the required content from 25 to 50 per cent. and it called forth very vigorous protests from the British manufacturers and also from the British government. Sir William Clark, the British High Commissioner, was very active in pressing upon the cabinet the need for revising the regulation and while he made a very deep impression, he failed to prevent the inauguration of the new order.

On January 11 The Post dealt with this matter and stated that the government had no intention of modifying the regulation and the event has proved that no modification was made. But the campaign against the increase in the required content developed great power in the closing weeks of January and it would not be surprising if the cabinet were to weaken before many months have passed.

Policy is Agreed to

The opposition to the new regulation did not strike at the whole policy; it was not suggested that the percentage of British content ought not to be raised to 50 per cent. On the contrary it was suggested that there were certain raw materials, such as cotton, copper, furs, etc., which could not be procured within the British Empire — in regard to copper and furs this will not seem intelligible—and that the price of these raw materials amount to more than 50 per cent. of the cost of many of the finished products. Therefore under the new regulation the finished product would not be able to qualify for the British preference and would have to come into Canada under the general tariff. To meet this difficulty it was suggested that the Canadian government should issue a list of certain raw materials and provide that for the purposes of the British preference these raw materials would be deemed to be entirely of British origin, regardless of where they came from.

Robb Opposed Change

The cabinet had one or two anxious meetings on this matter and there were many cogent arguments advanced in support of the issuing of such a list. Finally it is understood that the recommendation of Hon. J. A. Robb carried the day and it was against any modification of the regulation. However, it ought not to be thought that this disposes of the question. On the contrary, it merely means that the effect of the new regulation will be observed closely, while in operation, and if it is observed to hurt British trade, a list, such as is suggested, will probably be issued. Nothing, however is likely to be done until the regulation has had a fair trial and this, it is suggested, should cover a period of at least two months.

There was some confusion created by the statement issued at Ottawa when the regulation came into force and many people were under the impression that it was not to be enforced immediately. This is not the case. The department of National Revenue, in order not to interfere unduly with trade, has instructed all officials to accept the old declarations of content in the absence of the new declarations in every case where it is obvious that the goods in question could meet the new regulation. Only where it is doubtful if the goods are 50 per cent. British material or labor will a delay take place while the matter is investigated.

CANADA CAR STOCK RIGHTS WORTH $24?

Redemption of Bonds Will Strengthen Position of Junior Stocks

POSITION OF COMMON

Participating Feature of Preferred Shares Makes for Interesting Possibilities

From Our Own Correspondent

MONTREAL.—The new issue of shares to the stockholders of the Canadian Car and Foundry Company will perhaps have a value of as high as $24 a share. While the management has not yet indicated the proportional basis on which the new stock offerings will be made, yet from the figures available it is possible to hazard a guess as to how the shareholders will fare in the new offering. At the general meeting which is to be held on February 27, the shareholders will be asked to increase the authorized capital stock of the company by 50,000 shares. The last balance sheet of the Canadian Car and Foundry Company shows that there were outstanding 75,000 preferred shares at $100 par value, and 49,750 common shares of $100 par value. At the special general meeting, the shareholders will also authorize the directors to issue the newly authorized common stock at their discretion.

Will Retire Funded Debt

When the offering is made, the stock will be offered to both preferred and common shareholders on the same basis. This means that the offering will be applicable to the 75,000 preferred and 49,750 common shares—all in all, a total of virtually 125,000 shares.

The company with the proceeds of the new issue is to retire its funded debt amounting to some $4,500,000. With such a tremendous volume of work on hand, there can be no doubt that the company's need for liquid finances has increased. It is probable therefore, that the proceeds of the new common stock financing will amount to more than the sum actually required to redeem the bonds. Perhaps in all some $5,000,000 will be raised by the new financing. This would also increase the company's working capital by $500,000 in cash in addition to redeeming the bonds.

While apparently the management has not yet decided on the terms of the new offering to the shareholders, it seems a reasonable supposition that the additional 50,000 shares of common stock would be offered at $100 a share. Such financing would net the company its $5,000,000.

As there would be 50,000 new shares to distribute amongst virtually 125,000 shares now outstanding,

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SPECIAL SECTION

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See No Early Dividend In Alberta Pacific Grain

Although Alberta Pacific Grain common has been somewhat stronger in the last two or three weeks, the reports which come out of the West do not indicate that the company will have a particularly good year and the prospects for dividends on this stock are said to be remote. Last year, Alberta Grain had very large earnings from drying tough grain at Vancouver. There are no such profits this year. Moreover, it is difficult this year to avoid losses on country-elevator grading, on account of grain having been damaged by frost. This is the experience of the best elevator operators as a class and it is deemed unlikely that Alberta Grain has been doing any better than other competent operators.

Say Goodyear Split Will be Four for One

The long projected split in the common shares of Goodyear Tire & Rubber Co. is thought to be nearer than was anticipated until recently. As a consequence the stock moved up precipitately from $200 to $300 per share last week, and since has been hovering slightly under the $300 mark.

It is believed that the split will be four for one. The company is believed to be earning betwen $25 and $30 per share on the present stock.

CONTROL PROCESS USED IN MAKING CYCLO GASOLINE

Canadian Research Corporation Holds All Patents

Chemical Research Corp. owns and controls the patents for the manufacturing process used in making a new gasoline, known as "Cyclo" in Canada and "Gyro" in the United States.

The purpose of the corporation is to license certain oil refiners to use this process, paying the Chemical Research a royalty of approximately 25 cents per barrel. The process, according to those interested in the sale of shares, produces from 20 to 50 per cent. more gasoline per barrel of crude oil, depending on the quality of the crude, than any now in use. It also produces an inherently anti-knock gas which needs no chemical addition to make it anti-knock.

The process is called the vapor-phase method and its protagonists claim that the refinery installation is 50 per cent. cheaper than that necessitated by present methods. The corporation has already contracted with oil refiners in the United States for the production of nearly 100,000 barrels per day, which in a year, would bring the corporation's income to approximately $7,500,000. The capital of the company, all authorized and all issued, is 720,000 no par value shares. The estimated earnings would amount to about $10 per share.

Canadian License

The corporation issued to McColl-Frontenac Oil Company some time ago, a license covering the exclusive use of this process in Canada. This is the only exclusive contract that has been made. An explanation given by a member of the firm handling the issue of Research Corporation shares is that McColl-Frontenac signed up when the process was still experimental and not commercially practicable.

The Chemical Research Corporation is incorporated under a Delaware charter. The expenses of the company are practically negligible, only a clerical force being required to record the royalties as received. The gasoline has been tested by the United States Naval Department and an extract from the report, according to officials of the company, stated that "Gyro" gas was better than the naval standard for aviation fuel.

No Subsidiary

There is no Canadian subsidiary, the Canadian contract having been made by the Chemical Research Corporation. With an extension of distributing facilities by the licensee, there is said to be a good prospect of sales of "Cyclo" in Canada being large. The United States licensees are improving their outlets and installing new refinery equipment. McColl-Frontenac expects to open its "Cyclo" refineries at Montreal and Toronto soon.

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Heads Timber Men

E. R. BREMNER, newly elected president of Canadian Lumbermen's Association. Mr. Bremner is managing director of W. C. Edwards & Company, Ltd., Ottawa.

Nation's Commerce

Activities of Canadian Chambers of Commerce from Coast to Coast

From Our Own Correspondent

MONTREAL.—The annual meeting of the Ottawa Board of Trade was held on January 29. Wendell Clark, secretary of the Canadian Chamber of Commerce, addressed the meeting.

Secretaries of Boards and Chambers in the neighborhood of Montreal held an informal conference in the offices of the Canadian Chamber of Commerce, recently. Among those taking part in the conference were: W. E. Payne, Vancouver, H. K. Carruthers, Ottawa, F. D. Tolchard, Toronto, J. Groves Constant, Montreal Chambre, Stanley Cook, H. Beatty, Montreal Board, Wendell Clark and D. L. Morrell of the Canadian Chamber. At this meeting it was decided to have a special secretarial session at the 1929 conventon to be held in Alberta. The following subjects, touching the local work of organizations, will be introduced by the secretaries:

1. Membership and Finance.
2. Committee Work.
3. The place of a Board of Trade in a smaller community.
4. Rural relations.

D. A. Skinner, secretary of the U. S. Chamber of Commerce, will be present at the convention. He will address the breakfast and luncheon meetings of secretaries.

D. L. Morrell, assistant-secretary of the Canadian Chamber of Commerce, is visiting the U.S. Chamber in Washington and the New York State Chamber of Commerce.

The assistant-director of the Natural Resources Intelligence Service, together with two industrial engineers from the Department of the Interior, were in conference with the secretariat on February 1, with reference to co-operation in the national industrial surveys which are being undertaken by both organizations.

MOIRS, LTD., SHOWS IMPROVED EARNINGS

Sales in Last Four Months of Year Showed Substantial Gain

From Our Own Correspondent

MONTREAL.—The report of Moirs, Limited, for the fiscal year ended December 31, 1928, reveals a general improvement in the financial status of the company, and with the extensive rehabilitation of the plant which was undertaken during the past year, the company's outlook for the current year is favorable. The balance sheet shows accounts receivable and inventories carried at a higher figure. Plant and equipment are valued at $2,513,496, an increase of some $200,000, which represents plant extensions undertaken during the year. Working capital is slightly below that of the previous year, but the ratio of current assets to current liabilities is three to one.

The income account reveals an increase in bond interest requirements, due to the additional issue of $350,000 of bonds in December, 1927. A comparison of income accounts for the past two years is given below:

	1928	1927
Net earnings	$244,196	$227,374
Bond interest	87,750	65,000
Depreciation	111,272	110,975
	$ 45,174	$ 51,399
Balance forward	11,575	60,179
	$156,749	$111,578
Work. capital position	$941,787	$1,010,504

Remarks to Shareholders

In his remarks to shareholders, O. E. Smith, president of the company, said in part:

"During the year under review practically the whole of the machinery and equipment in the candy plant was rearranged, and, where necessary, rebuilt. This re-arrangement, which was part of the program in connection with the building of the candy plant extension took a much longer time than was anticipated, due to the fact that it was necessary to change manufacturing operations from one part of the building to another without shutting down.

"This work is now completed, and the company has to-day a fully equipped plant in excellent physical condition, second to none in Canada, and capable of turning out a materially increased output of finished product under perfect conditions. The results of this were evident during the last four months of the year, sales during this period showing a substantial increase over the same period of 1927. Naturally, also, production during this period increased very considerably, the output from the candy factory for the month of October being the largest in the history of the company."

Peoples Loan & Savings Assets Grow in Year

Peoples Loan & Savings, London, Ont., earned 6.2 per cent. on its capital of $500,000 in the year 1928, compared with 5.8 per cent. in the previous year. Dividends continue at 5½ per cent.

Reserve fund is increased $5,000 to $105,000. Debentures and deposits are up from $842,015 to $1,166,253. Mortgages are up from $1,097,940 to $1,400,800. Total assets are up from $1,446,470 to $1,775,027.

The record of the company in recent years follows:

Earnings Record—

Year	*Paid-up Capital	Profits	Earned %	Div.
1920	$439,388	$28,392	6.4	5
1921	494,101	29,229	5.9	5
1922	496,008	31,698	6.3	5
1923	496,246	31,447	6.3	5¼
1924	500,000	30,620	6.1	5½
1925	500,000	30,352	6.0	5½
1926	500,000	29,456	5.8	5½
1927	500,000	29,802	5.8	5½
1928	500,000	31,819	6.2	5½

*After deducting amount written off.

To Write Air Risks

Edward J. Walsh, of Montreal, recently-appointed general manager for Canada of the New York Indemnity Co., has announced that his company will write fidelity and surety bonds and all classes of casualty insurance. Aircraft risks will be included in the company's business. Mr. Walsh has just returned from New York, where he visited the head office of his company.

Tape Readings

MASSEY-HARRIS

Annual report of Massey-Harris Co. is expected next week. The annual meeting probably will be held about February 25.

* * *

CANADIAN INVESTORS

Canadian Investors Corp., the investment company which will be under the management of McLeod, Young, Weir & Co., will begin operations with a paid up capital of about $2,500,000. The stock offering, at $26.50 per share, was made a week ago. The plan appeals to investors because the management gets no pay until 7 per cent. has been earned. After 7 per cent., the management gets one-fifth of the profits. The stock netted the corporation $25 per share.

* * *

EASY WASHING

Sales of Easy Washing Machine Co. totaled $1,128,527 for the year 1928 contrasted with $903,790 in the previous year.

* * *

MONARCH KNITTING

Monarch Knitting appears to be coming back. It earned $15.10 on its 7 per cent. preferred stock last year, compared with $9.55 in 1927, $4.35 in 1926, nothing in 1925. The dividends in arrears will total 28 per cent. on April 30, 1929.

* * *

CANADA WIRE & CABLE

Holders of mortgage bonds of Canada Wire & Cable are notified of redemption of the issue as of June 1, 1929. A Montreal investment house has bought the company and a public offering of stock is expected.

WHEAT'S RISE ADDS MILLIONS TO CASH

(Continued from page 1)

went to a discount under October due to the big surplus of wheat left on hand at that time. Those attracted by the speculative possibility in the market are more inclined at the present time to favor the July, feeling that the present premium of two cents which July commands over October is comparatively small, and that it cannot shrink much, while it might widen out a good deal. On the other hand the holders of October will have the advantage of a longer period in which factors may develop that will advance the price. It is also to be remembered that at the present prices wheat is a very cheap commodity, and with its actual value as a food stuff would enable consumers to pay higher prices.

Small Spreads at Present

An interesting point about present prices is the comparatively small spread between the higher grades. This week, for example, No. 2 Northern cash wheat was worth only three cents under No. 1 Northern, No. 3 Northern eight cents under, and No. 4 was worth thirteen cents under. Much wider spreads, of course, prevail on Nos. 5 and 6, of which there is unfortunately, a very large quantity, No. 5 being worth eleven cents less than No. 4, and No. 6 being 14¼ cents under No. 5. The spreads are narrower now that at the beginning of the market season, reflecting the fact that the lower grades are higher in comparative milling values than in some previous years. This is indicated by the fact that for the season to date No. 2 Northern has stood at an average of 4⅝ cents under No. 1 Northern, No. 3 Northern at an average of 10¼ cents under No. 1 Northern, and No. 4 at an average of 16¾ cents under No. 1 Northern.

The average grading of this year's crop has been somewhere between No. 3 Northern and No. 4, so that fact should be taken into account by anyone attempting to estimate the actual total value of the crop.

The rate at which wheat is being consumed is indicated by world shipments of wheat and flour during the past month of 21,116,000 bushels a week, representing a larger quantity of wheat than was ever before moved in a corresponding space of time. North American shipments have been running about 2½ million bushels a week higher than a year ago, with the Argentine and Australian shipments combined about the same as a year ago. The Argentine shippers are reported to be pressing sales at the present level of prices. This is the second year in succession in which they have been in a comparatively favorable position, selling their wheat at higher prices than prevailed during the fall months when a large part of the Canadian crop was being marketed.

Uncertainty still prevails as to the total production of Western Canada last year. The Dominion Government have recently increased by 33 million bushels their November estimate of the wheat crop of the prairie provinces, and now make their figures 511 million bushels. Trade opinion, however, is to the effect that actual returns will prove the crop to have been at least 535 million bushels. In this connection the Dominion Government have recently given a revised estimate for last year's crop. Their previous estimate, presumed to be final, rested at 415 million bushels, but actual marketings proved this to be much too low and the Bureau of Statistics has accordingly put out a revised estimate for 1927, making the crop for that year 454 million bushels, which is practically what it was found to be on the basis of actual deliveries. This is the first time the Government have issued a correction at such a late date, although in several previous years earlier Government estimates were found to be so far out that subsequent corrections would have been desirable.

Deliveries Low in January

During January, deliveries of wheat at country points were at a low level. Partly this was due to the great rapidity with which the crop was moved during the last three months of 1928, but movement was also slowed up by the severe weather experienced all over the West, which made the hauling of wheat a task not to be undertaken unless under special necessity. The railways too slowed down their movement, having no desire to do any unnecessary hauling of grain cars with the thermometer ranging from ten to thirty degrees below zero, when engine efficiency is at a very low level.

SMELTERS SHARES STILL PROMISING AT CURRENT LEVELS

(Continued from page 1)

tucked away permanently in strong boxes. The splitting of the shares of the company would serve only to increase the number of stockholders, which, while satisfactory enough from the angle of the investing public, in no way assists the company itself toward increasing its earnings, but only increases the amount of clerical work necessary.

Subject to Fluctuations

In this fashion, Smelters is not like the ordinary industrial company; because of its financial position, it does not need to care whether it is popular with investors. The foregoing is perhaps the reason why no split has taken place and apparently will not take place—at least for some time. It largely explains, also, why Smelters is subject to such wide market fluctuations. There is little stock available on the market. Even speculators who have bought the shares as a gamble are inclined to view it more in the light of a five year hold and as an investment in Canada's mineral future, rather than simply a medium for making a quick market turn. Hence, even the purchase of a few shares often cleans up what little floating supply there is.

The purchase of Smelters at the present time is in reality little more than a speculation on the ultimate mineral future of the Dominion. But it is also something of an investment, as the ore reserves at the Sullivan property are such as to assure substantial earnings over many a long year to come.

BRITISHERS SAY THEY OWN GRAND TRUNK

(Continued from page 1)

reassert their control. However, since the authority of parliament over railways is not contested, it may be presumed that the government would not allow the matter to reach such extremities but would ask parliament to legislate the Grand Trunk into the National Railways system as a railway.

Recapitalization is Off

The whole situation, as a matter of fact, is rather confusing and perplexing. The ultimate power of parliament to control the Grand Trunk cannot be doubted, but the shareholders may cause endless trouble and worry before they are finally defeated. Or the government may capitulate and come to terms with them. To do so, however, might cost $180,000,000; which is a lot of money.

In the meantime, of course, the recapitalization of the National Railways has been knocked galley west. Obviously Hon. Charles Dunning, minister of railways and canals, cannot bring down legislation in this regard while the very system whose capitalization he proposes to deal with is being menaced at a vital point. Mr. Dunning, it is known, is keen to bring down the legislation and will do so if at all possible during the present session. But unless the present clouds clear away it is more than likely that action will be delayed.

CANADIAN CAR STOCK RIGHTS WORTH $24?

(Continued from page 1)

such distribution would be made on a basis of two new shares for every five of the present common and preferred shares.

Should the distribution be made on this basis, every holder of five shares would get two new shares for $200 which at the present market valuation of the stock would be worth say $320. Therefore the value of the rights on five shares would amount to $120—or $24 on each single share.

The redemption of the bonds would mean much to the shareholders—both preferred and common—particularly as the preferred is participating after $7 a share has been paid on the common stock. Annually, the Canadian Car and Foundry Company has interest payments of $300,000 to meet on its outstanding bonds and in addition has sinking fund requirements of some $250,000; making in all total annual payments out of working capital of $550,000. These payments amount to $11 a share on the 49,750 common shares now outstanding—or the equivalent of $5.50 a share if the remaining 50,000 shares be issued immediately. This sum, therefore, would be applicable to the common shares, when the company's bonds are redeemed.

The management has not indicated that the full 50,000 common shares will be issued immediately, but has definitely stated that it is prosed to issue common shares on such terms as will permit the redemption of the funded debt. The retirement of the bonds will leave the preferred shareholders in an excellent position, particularly due to the participating feature of the stock. It is anticipated also that the change in the capital structure will mean the initiation of dividends on the common for which the shareholders have waited so many years.

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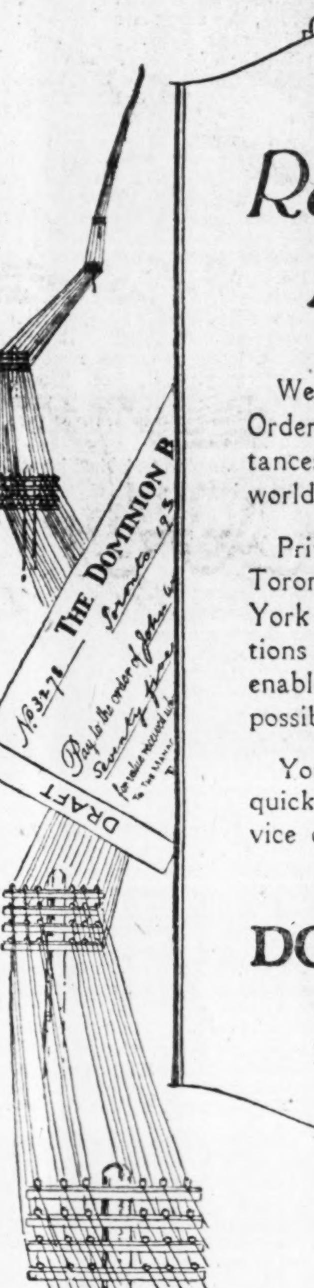

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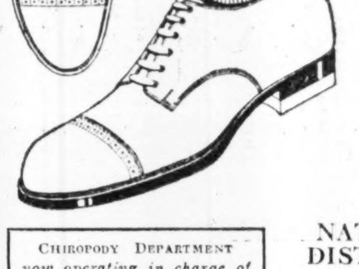

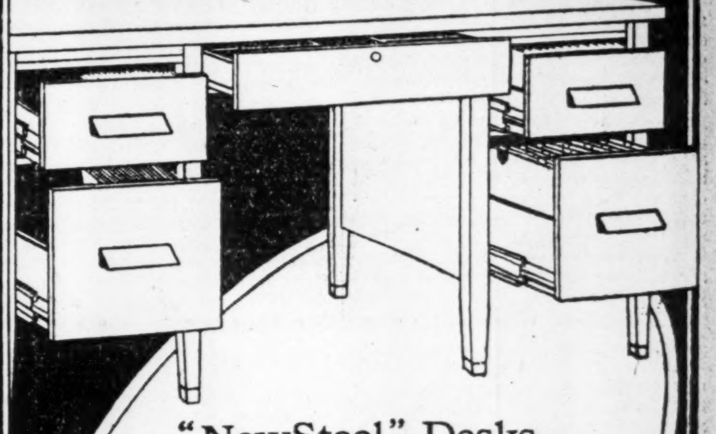

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From Our Own Correspondent

MONTREAL. — With the continuance of the high, wide and handsome bull market, the shares of the Power Corporation have bounded up to new high record levels for all time, and the rise is regarded here as justified, not merely on the potentialities of this excellent market performer, but on the actual market appreciation which has taken place in its portfolio of securities.

Some time ago, it was announced that the policy of the management was to build the corporation up into a $100,000,000 organization. Even 6 months ago, the possibility of Power Corporation working into this class was regarded by thoughtful investors as something of a hope which could only be realized over a prolonged term of years. It was felt that the acute management would ultimately achieve such an objective—but only over a term of years with the utmost managerial stress and strain and perhaps only after passing through a period of lean years, in which the holder would have to wait very patiently for appreciation.

Makes Large Strides

The objectives of the management are being reached probably faster than is realized even by informed investors.

At the end of June, 1928, the Power Corporation had assets on its books of only $28,800,000. Now the figure at which the corporation carries its assets has grown by 20 per cent. But these are only book figures, and bear little relation to the present day market price of the many investment holdings of the company.

With market prices at present levels, the Power Corporation has travelled a long way along the road to becoming a hundred million dollar organization. At the present time, at least half the distance has been traversed—although the next annual report may not wholly reflect the extent of the management's achievements. In investment companies, such as the Power Corporation, investments are usually carried among the assets at cost price. Ultimately, when securities which have appreciated have been sold, the gains are reflected on the balance sheet.

Hence, it may be some years before the corporation's current progress is reflected in the balance sheet figures from which annually the shareholder is supposed to be able to glean an idea of strides which have been made.

The appreciation in Consolidated Smelters alone has brought a handsome market profit to the company; the profits are well up in the six figure mark. Other holdings, such as Consolidated Gas of New York, have also shown remarkable appreciations recently.

All in all there is no doubt about Power Corporation's rise being only in line with the appreciation experienced by its investment holdings.

Has Added Strength

In one sense, the market ups and downs in the holdings of the corporation may be said to be a weak spot in the possible future market course of the shares of Power Corporation. Any general market recession would be reflected in the shares of Power Corporation. But in addition to the possible appreciation in its investment holdings, there are other features in the stock which indicate that in future it will not solely reflect merely marked ups and downs in its total investment holdings.

Power Corporation has some sources of revenue outside the yield on its holdings. It derives a growing revenue from supervisional and engineering services for its subsidiaries and associated companies. In addition to more or less routine services of this character, the corporation is supervising the design and construction of the Montreal Island Power Company's plant.

In the last analysis, those who hold the shares or who recommend them are backing an investment in widely scattered properties which to-day are on a satisfactory basis; but in the future these properties are likely to benefit more than proportionately from the industrial growth of the Dominion.

Not a Mere Mirror

The foregoing are some of the features of the common shares of the corporation which, marketwise, make them something better than a mere mirror in which is reflected proportionately the current ups and downs of other securities.

Despite its rise, Power Corporation shares are regarded favorably and a further continuance in the hectic rise in stock prices will most certainly again be immediately reflected in the Power Corporation shares. A market recession, more or less, shortly is feared in all brokerage and banking circles—this is perhaps a reason for expecting that no very material decline will make its appearance very shortly. Even if it does, Power Corporation is the type of stock which the investor can hold through thick and thin and through market fluctuations, whether they be either up or down, certain in the knowledge that the long hold outlook for the shares is of the best.

Toronto Manager

KINGSLEY JARVIS, manager of newly-opened Toronto office of W. C. Pitfield & Co.

Montreal Power Announces Name of New Gen. Manager

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat & Power Consolidated announces the following new appointments made by the board of directors at a meeting held recently:

C. S. Bagg, who has been secretary-treasurer of the company for many years, is named general manager in succession to J. S. Norris, who has hitherto held the joint office of vice-president and general manager.

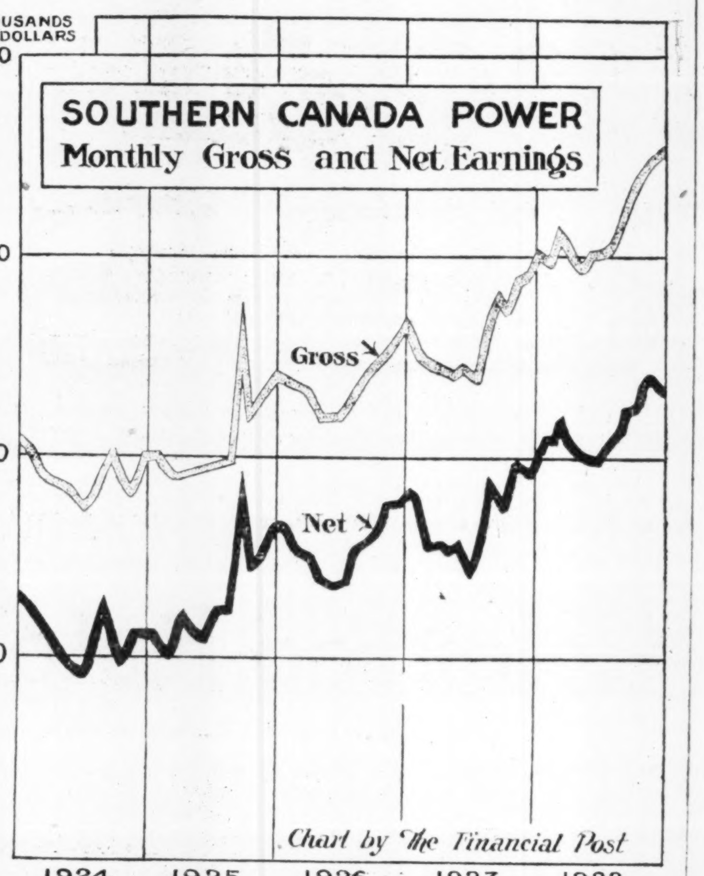
Mr. Norris, who was re-elected vice-president at the annual meeting of the shareholders, is, in addition, appointed managing director, a newly created office to which he will now devote his efforts.

The offices of secretary-treasurer and assistant secretary-treasurer have also been divided and G. R. Whatley, formerly assistant secretary-treasurer, becomes secretary; and G. Chagnon, cashier, is now treasurer. W. H. Spencer, of the electrical department, and P. C. Drake, assistant cashier, have been appointed assistant secretary and assistant treasurer, respectively.

The new appointees have all seen long service with the company and the promotions have been accorded in recognition of experience and merit.

Sir Herbert S. Holt, re-elected president at the annual meeting of the shareholders, continues in this capacity and completes the list of officers.

Southern Canada Earnings Grown



The curves reveal clearly the progress which the Southern Canada Power Company has made in recent years. Both the gross and net lines each year show the seasonal slump in the demand for electric energy, later to be followed by a peak during the shorter autumnal days. The sudden peak reached in September, 1925, was due, probably, to some sudden demand for power from another company. The net has shown a more than proportional increase as compared with the gross.

Ottawa Traction Company Will Resume Dividends

From Our Own Correspondent

MONTREAL.—At the annual meeting of the Ottawa Traction Company, the president indicated that the company would resume dividend payments this year. The president's statement bears out the opinion expressed two months ago by The Financial Post that earnings would soon permit the resumption of payments to the shareholders. These were discontinued just a year ago. Last August the Company was successful in its application for higher rates.

Lake of Woods Shares Respond to New Plans

From Our Own Correspondent

MONTREAL.—The shares of the Lake of the Woods Milling Company have reflected the improved outlook of the company by moving up to a new high of 65. The common stock is on an annual dividend basis of $3.20 a share and is now selling at a price more commensurate with its earning power.

Lake of the Woods' expansion into the baking field in western Canada will assure it of a constant revenue from its domestic sales of flour—a favorable factor, in view of the uncertain situation which has surrounded sales in the export market in recent years.

The company's balance sheet for the last fiscal year ended August 31, 1928, showed that it was in a sound financial condition. The company carried investments valued at $914,000, and working capital stood at $3,252,900. Earnings, after all charges, including dividends on preferred stock, were equivalent to $3.44 a share on the common.

The company owns and operates 125 country elevators throughout Manitoba and the North West. Mills are located at Keewatin, Brantford, Portage la Prairie, Medicine Hat and Montreal. Combined capacity of these mills is approximately 20,000 barrels of flour a day.

Alberta's Parks Large

Out of the 11,674 square miles devoted to national parks throughout the Dominion, Alberta has 8,662 square miles.

Public Utility Earnings

Jamaica Public Service

December	1928	1927
Gross earnings	$ 66,616	$ 69,262
Net earnings	30,779	33,617
Surp. after charges	24,369	27,541
12 mos. end. Dec. 31	1928	1927
Gross earnings	$697,876	$694,160
Net earnings	282,371	284,993
Surp. after charges	215,644	211,604

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Kraft Paper Products

Dryden Paper Company Limited supplies the rapidly growing territory of Western Canada with Kraft and Building Papers.

The tough durable fibres of this class of paper are finding a growing use for cement and plaster bags, and foodstuff containers.

At the present rate, earnings will have doubled during the last three years, and net earnings for the current year should amount to approximately $450,000 against bond interest requirements of $90,000.

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730

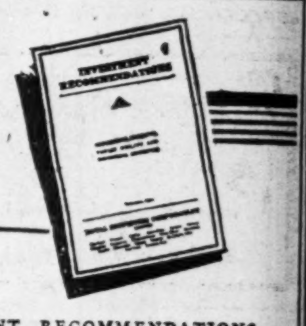
Dominion Engineering Works Increases Dividend to $4

From Our Own Correspondent

MONTREAL.—The Dominion Engineering Works has increased its dividend from $3 to $4 annually. The quarterly dividend for the period ending March 30 will amount to $1 a share. Since the shares were split on a five for one basis about the middle of 1927, there have been two increases in the dividends, the initial rate of $2.60 a share being increased to $3 annually in June of 1928.

For Investors

—A Helpful Publication



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Will It Help Business To Mark Time?

By 1934 Ontario and Quebec will need a million telephones and the Bell Telephone Company wants new money to provide them.

The company does not want any money from Parliament. It only wants permission to try to sell new shares to investors.

The investors will supply the money if they are allowed to. If they are not allowed to, the telephone system must mark time.

In 48 years the telephone company has never suggested nor received a government grant; it only asks freedom to take further part in Canada's progress.

THE BELL TELEPHONE COMPANY OF CANADA

849

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News of Investment Markets

STANDARD PAVE NEW PREFERRED OFFERED AT PAR

Proceeds to Pay For Stocks Acquired in Private Companies

Offering has been made this week of $1,500,000 of 7 per cent. cumulative preferred stock of Standard Paving & Materials, Ltd. This is a holding company owning all of the share capital of Standard Paving, Kilmer & Barber, Ltd., and National Sand & Material Co., and all of the common stock of Consolidated Sand & Gravel Co. Proceeds of issue will pay for companies acquired and to be acquired.

The $1,200,000 convertible preferred of Consolidated Sand & Gravel will remain outstanding, for the present.

A few days previously, merger of Consolidated Sand and Standard Paving was announced on the basis of 115 shares of stock in the new company for 100 shares of Standard Paving and one share in the new company for two common shares of Consolidated Sand & Gravel.

Both Convertible Preferreds

At the time of this announcement, Standard Paving stock was selling at 44 and Consolidated Sand preferred at 98 and the common at 20. The Standard Paving was issued less than a year ago at $20 and the Consolidated Sand preferred was issued a little later at par with a bonus of one share of common with each preferred.

The preferred of the holding company now being issued is convertible into common on the basis of 2½ common shares for one preferred. The Consolidated Sand preferred will be convertible into the new company's common on the basis of 1¼ common for each preferred, which corresponds to the previous conversion privilege of 2½ common of Consolidated Sand for each share of preferred of that company.

Will Be Largest in Canada

It is stated that the new company is negotiating for the purchase of another company.

J. F. M. Stewart of Stewart Scully Co., vice-president of the new company, is quoted as saying that the new company will be the largest producer in Canada of crushed gravel and sand for paving and general contracting purposes. The capacity will be 2,000,000 tons per year.

Consolidated Sand operates a number of sand and gravel pits in Ontario, shipping to its customers by rail. National Sand gets sand and gravel from Lake Erie, with a plant on the Welland canal at Welland.

Details of the preferred issue follow:

$1,500,000
STANDARD PAVING & MATERIALS
7% Cumulative, Convertible, Redeemable Preference Shares

Capitalization—	Authorized	Issued
7% pfd., par $100 ..	$1,500,000	$1,500,000
Com., no par	†200,000 sh.	104,872 sh.

† 37,500 shares reserved for conversion of this issue; 15,000 shares reserved for conversion of preferred of Consol. Sand & Gravel.

Business: Paving, general contracting and the supplying of materials therefore in Ontario centres and in Buffalo, N.Y. Constituent companies are Standard Paving, Kilmer & Barber, National Sand & Material, Consolidated Sand & Gravel.

Assets: On completion of exchanges, company will own all of issued capital stock of three of four companies and all common of fourth, Consolidated Sand & Gravel.

Earnings: Estimated at $680,000 net, leaving $491,000 for common stock after payment of two issues of preferred.

Directors and Officers: John E. Russell, president; John Gleeson, vice-president and chairman; Gordon C. Edwards, M.P.; G. G. Robinson, J. F. Driscoll, W. B. Milner, John Foley, E. T. Davis, H. B. Smith.

Offer: February, 1929, by Stewart, Scully Co., and Harley, Milner & Co., Toronto, at $100 and accrued dividend.

ATLANTIC SECURITIES UNITS ARE OFFERED

One Preferred, One Common, With Warrant Priced at $85

Units of $3 cumulative preferred stock, one share of common and non-detachable purchase warrants for common in Atlantic Securities Corp., Delaware Corp. are being offered in Canada simultaneously with offerings in the United States. Atlantic Securities Corp. is an investment company which began business in 1927.

Details of the issue follow:

ATLANTIC SECURITIES CORP.
60,000 shares $3 Cumulative Preferred Stock With Warrants
60,000 Shares of Common

Capitalization:	Authorized	Outstanding
Pfd., no- par, issuable in series	120,000 shs.	......
$3 cumulative pfd. (this issue)	......	60,000 shs.
Common, no-par ..	500,000 shs.	*168,250 shs.

*In addition, up to March 1, 1934, warrants will be outstanding entitling preferred holders to purchase common at $35 to $45 a share. Options issued in lieu of management fees also are outstanding, which will probably entitle holders to purchase 18,694 shares of common at average price of $22.50.

Business: Invests and reinvests assets in diversified stocks. History began in 1927.

Management: Maurice L. Farrell is president, and directorate is more or less directly connected with issuing houses in United States.

Earnings: Realized net profits in 1928 nearly equal to twice dividend requirement on preferred to be outstanding. Realized and unrealized profits equal to about 31.2 per cent of average amount of capital paid in.

Assets: Net assets will equal $124 for each share of preferred.

Warrants: Non-detachable warrants issued with preferred entitle holder to buy one-half share of common at $35 per share on March 1, 1930, and at increasing prices until price of $45 is reached on or before March 1, 1934. Warrants void after that date. Warrants detachable if prefered is redeemed before March 1, 1934, or at option of directors.

Offer: February, 1929, by A. Iselin & Co., F. S. Smithers & Co., and Dominion Securities Corp., at $85 per share.

Bond Notices

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
Lake Superior Paper	6%	1941	Mar. 1	105
Span. Power	6%	1929	Mar. 1	102
Quebec Power	6%	1953	Apr. 1	107½
Stock—				
Robt. Mitchell, 1st pref.	7%	....	Mar. 11	107½
Building Prod.	7%	Pref.	Apr. 1	105

* In part.

NEW FINANCING FOR REAL ESTATE IS INTERESTING

National City Makes Offering of 6 Per Cent. Preferred Stock

From Our Own Correspondent

MONTREAL. — An entirely new system of real estate financing has been evolved by the National City Company in its recent issue of preferred and common stock, of the Beaux-Arts Apartments, Incorporated, New York. Such established instruments of financing as first and second mortgage bonds have been discarded; the present offering places real estate financing on a strict equity basis, whereby the public may participate directly in profits. All calculations are based on costs, rather than valuation, and the entire funds required for the construction of the building will be raised by the issuance of 6 per cent. preferred stock, second preferred, together with common shares.

INVESTMENT SHARES PUBLICLY OFFERED

Shares of Canadian International Investment Trust Sold in Units

From Our Own Correspondent

MONTREAL.—The shares of the Canadian International Investment Trust were offered this week by W. C. Pitfield and Company, investment bankers. Application will be made to list the shares of this investment company on the Montreal Stock Exchange.

Particulars of the issue follow:

$2,000,000
CANADIAN INTERNATIONAL INVESTMENT TRUST
5% Cumulative Preferred Stock

Capitalization—	Authorized	Issued
5% cum. pref. shares .. (this issue).	$5,000,000	$2,000,000
Common shares ...... (par value $10 per share).	3,000,000	1,200,000

Company: An investment company with power to invest in securities of every nature.

Restrictions: The company must maintain 50% of its holdings in investments legal for insurance companies. Not more than 10 per cent. of the paid-up capital is to be placed in one security. Not more than 25 per cent. of the capital may be invested in any class of security whatever. The company may not purchase on margin. There are restriction clauses in the charter, which provide that the investment company shall build up a very substantial reserve before cash dividends in excess of 8 per cent. shall be paid on the common stock.

Management: Directors' fees will not exceed in the aggregate $10,000 per annum.

Assets: The company will receive the full par value of each share of preferred and each share of common which, less a reasonable amount of incorporation expenses, will be available for investment. This amounts to $160 for each share of preferred presently outstanding.

Earnings: The earning requirements of the preferred shares amount only to 3.125 per cent. of the paid-up capital of the company.

Offered: February, 1929, by W. C. Pitfield and Company at $135 per unit. Each unit comprises one share of preferred, three common and an option warrant entitling the holders of the preferred shares to purchase two additional shares of common stock at $11 a share before March 1, 1931, and thereafter at $12 a share on or before March 1, 1933.

METAL AND MINING MAKE STOCK OFFER

From Our Own Correspondent

MONTREAL.—An offering of 100,000 shares of preferred and 100,000 shares of common stock in Metal and Mining Shares Incorporated, is being offered by Eastern Securities, Montreal, in conjunction with P. H. Whiting and Company, New York. The company has been organized to provide a medium for investment in the metal and mining industries of the world. It commands the services of the Mineral Research Corporation, which has been organized to provide engineering and other technical advice.

Southwest Petroleum Common Shares Offered

Southwest Petroleum Co. common shares to the number of 50,000 are offered at $2 per share by Doherty-Easson Co. The company is a subsidiary of Foothills Oil & Gas, which is controlled by Imperial Oil The balance of 450,000 common shares is issued, a proportion going to owners of petroleum leases in the Turner Valley.

50,000 Shares
SOUTHWEST PETROLEUM CO.

Capitalization—	Authorized	Issued
Common, no par	100,000	500,000

Business: Company has acquired and has under option in Turner Valley 640 acres of oil and gas rights in perpetuity. Company has sufficient funds to develop property and program is now under way.

Security: Company has only one class of stock and no shares have been issued for goodwill, commission or promotion.

Management: Company will be controlled and directed by officials of Imperial Oil.

Offer: February, 1929, by Doherty-Easson Co., Toronto, at $2 per share.

ISSUE OF C.P.R. 4% PREFERENCE MADE IN LONDON

Constitutes Fourth Offer Made in London Since October

From Our Own Correspondent

MONTREAL.—Cabled despatches from London say that another £1,000,000 block of Canadian Pacific Railway 4 per cent. preference stock has been sold on that market. This makes the fourth issue since the beginning of October. In all, £3,000,000 in 4 per cent. preference shares and £1,500,000 in 4 per cent. debentures, have been issued.

The occasional issuance of comparatively small blocks of securities by the company has long been the practice of the C.P.R., and has little investment bearing on the situation surrounding the company. Due to its large liquid resources the C.P.R. has made it a practice of often financing its expansion after the additions to property have been completed. Thus, it is able to take advantage of the most favorable money market situation. The capital structure of the Canadian Pacific also permits it to issue sterling or currency securities, depending on whether it is better to sell on the New York or London markets. If the London rate is favorable, 4 per cent. perpetual, consolidated, debenture stock or preference shares can be sold. If the New York market is the more favorable, 4½ per cent. collateral trust bonds can be issued or 4 per cent. preference, which issues are made in dollars as well as sterling. The preference shares have equal voting rights with the common and their 4 per cent. dividends are non cumulative.

Rail Rates Are Low

A feature of the whole financial situation surrounding the Canadian Pacific Railway, which probably has not received the public attention it deserves, is the direct relation between the company's annual charges against revenues and its financial position.

Rail rates in Canada are lower than anywhere else in the world, despite the scattered population. This is in no small measure due to the fact that the C.P.R., through maintaining itself in virtually an impregnable liquid position, has always been able to obtain money on a low cost basis. This makes for the lowest possible annual charges. Hence the C.P.R. has been able to give service at a cost with which other comparable carriers cannot compete. By being able to command the lowest interest rates, the amount which must be charged for transportation either of people or commodities is thus reduced to the lowest level. Had the C.P.R. been forced to sell securities in past years at a half, a quarter, or even an eighth of one per cent. higher than the interest rate obtained, it would have had a decided and direct bearing on the rate structure necessary to permit the road to operate satisfactorily.

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BOND SYNDICATE GETS NO LICENSE FROM MANITOBA

Instalment Investment Organization Offers No Defence

The Monarch Bond Syndicate, with head office in Vancouver and a branch in Calgary, have been refused a license to transact business in Manitoba by a decision of the municipal and public utility board in Winnipeg. Three representatives of the company, J. J. Diederich, president; H. W. Liberty and V. E. Maguire, officials of the firm, were summoned to appear before the board for examination pursuant to the provisions of the Security Frauds Prevention Act.

At the morning session of the board, the three, through counsel, pleaded that they had not had time to prepare a case. The hearing was adjourned until the afternoon, when it was found that three men had not appeared.

Counsel for the company asked that the matter be left open for discussion at a later date between him and the board if it were desired to again bring it up. The plans of the company are said to have included the launching of a campaign of selling by fifteen salesmen in the province.

The company, through literature and salesmen, offered an instalment savings plan which they stated was similar and superior to insurance. For a certain deposit each month for a total of 180 months the company guaranteed to pay to the investor at the end of the time his total payments and 6 per cent. interest, compounded half yearly. The deposits were to have a certain surrender value, in excess of that offered by insurance policies of corresponding face-values.

No mention is made in the company's literature of the disposal of lapsed instalments, after the six-months suspension period allowed is up.

TENDERS AND BY-LAWS

Feb. 15—Mun. of St. Antoine de Padoue, P.Q.—$12,000, 5 per cent., 15-year serial bonds. Benjamin Archambault, sec.-treas.

Feb. 9.—Village of Wakefield, P.Q.—$3,000, 5 per cent. 10-year debentures. F. A. Labelle, N.P.

Feb. 15.—Aurora.—$102,233, 4½ and 5 per cent., 30 and 15-year debentures. M. L. Andrews, clerk. (See announcement on page 16).

Feb. 12.—University of Toronto.—$800,000, 5 per cent. 20-instal. debentures. F. A. Moore, bursar.

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NEW ISSUE

$2,000,000

Canadian International Investment Trust
LIMITED
(Incorporated under the Laws of the Dominion of Canada)
5% Cumulative Preferred Stock
Par Value $100 per Share

Preferred as to capital and dividends. Preferred cumulative dividends at the fixed rate of 5% per annum are payable quarterly on March 1st, June 1st, September 1st and December 1st in each year in Canadian currency at par at any branch of The Royal Bank of Canada in Canada, or in Sterling at the fixed rate of $4.86 2/3 to the Pound at The Royal Bank of Canada, London, England, such dividends to accrue from March 1st, 1929. Redeemable on any dividend date, as a whole or in part, at the option of the Company, upon sixty days written notice to stockholders of record at $105 and accrued dividend. Non-voting except in the event of four quarterly dividends in the aggregate being in arrears, in which event, and so long as any dividends shall be in arrears, the preferred shareholders shall have one vote for each share and the right to elect the majority of the directors. No by-law increasing the preferred capital stock, ranking in priority to or *pari passu* with the preferred stock now authorized, or modifying in any way the provisions relating thereto, shall have effect unless such by-law be approved by the vote of holders of at least two-thirds of the preferred shares represented at a special meeting.

Registar: Montreal Trust Co., Montreal — Transfer Agents: The Royal Trust Co., Montreal

CAPITALIZATION

	Authorized	Issued
5% Cumulative Preferred Shares (this issue)............	$5,000,000	$2,000,000
Common Shares (par value $10 per share)............	$3,000,000	$1,200,000

THE COMPANY: Canadian International Investment Trust Limited has been organized under the laws of the Dominion of Canada as an investment corporation of the management type, with powers to invest in securities of any and every nature, either foreign or domestic, thereby affording its shareholders an opportunity to participate in a broad diversification of selected investments and underwritings, and affording them the benefit of constant supervision of their funds under experienced management. The Company will be managed in accordance with the well defined principles which characterize existing successful British and American Trusts of similar design.

ASSETS: The Company will receive the full par value for each share of preferred and each share of common stock sold, amounting to the sum of $3,200,000 which, less a reasonable amount for incorporation and organization expenses, will be available for investment at the commencement of business, or approximately $160 for each preferred share to be presently outstanding.

EARNINGS: The dividend requirement of the preferred shares to be presently outstanding is $100,000 per annum, equivalent to 3.125% of the presently paid up capital of the Company.

RESTRICTIONS: Certain fundamental restrictions governing the operations of the Company, the investment of its funds and the payment of dividends will be set forth in the charter of the Company and its by-laws and which restrictions cannot be made less onerous without approval of holders of at least two-thirds of the Preferred and Common Shares, represented and voting by classes at a Special General Meeting. Among others these restrictions will include the following:—

The Company must maintain at least 50% of its paid up share and loan capital in investments which are legal for Insurance Companies in Canada.

The Company may not invest more than 10% of its paid up share and loan capital in any one security except Government, Provincial or Municipal obligations, or securities which are legal for Insurance Companies in Canada.

Not more than 25% of the Company's paid up share and loan capital may be invested in securities of any one of the following classes: (a) Banks, (b) Insurance Companies (c) Investment Companies and (d) Public Utility Companies, and not more than 12½% of the paid up share and loan capital of the Company may be invested in the securities of any other distinct class of business or industry.

No cash dividend in excess of 8% shall be paid in any year on the Common Shares unless and until there is set aside a sum equal to 12½% of the net earnings available for dividends on the common stock in that year as a special dividend reserve which shall be permitted to accumulate until it equals 50% of the par value of the Common Shares outstanding, and thereafter no dividend in excess of 8% may be declared which shall have the effect of reducing this reserve fund below 50% of the Common Shares outstanding.

The Company may not purchase securities on margin.

MANAGEMENT: The management of the Company will be under the control of a board of directors and executive committee chosen therefrom. Fees of such directors shall not in the aggregate exceed the sum of $10,000 per annum unless otherwise determined by the shareholders at a general meeting. The directors of the Company will include the following:—

J. L. APEDAILE, C.A., Quebec, Que.
Managing Director Price Brothers & Company, Limited.
Director Quebec Investment Company, Limited.

FRED E. BRONSON, Ottawa, Ont.
Vice-President Ottawa Light Heat & Power Co., Ltd.

THE HON. HENRY COCKSHUTT, Brantford, Ont.
President Cockshutt Plow Company, Limited.
Director Bank of Montreal.

GEORGE C. CUTLER, New York, N.Y.
Edward B. Smith & Co.

ERNEST R. DECARY, Montreal, Que.
Vice-President The Title Guarantee and Trust Corporation of Canada.
Director Canadian National Railways.

ARCHIBALD FRASER, Fredericton, N.B.
President Fraser Companies, Limited.
Director Royal Bank of Canada.

GEORGE KIDD, Vancouver, B.C.
Chairman B. C. Power Corporation, Limited.

W. C. PITFIELD, Montreal, Que.
Director Fraser Companies, Limited.
Director Calgary Power Company, Limited.

J. H. PRICE, Quebec, Que.
President Price Brothers & Company, Limited.
Vice-President Duke-Price Power Company, Limited.
Director Royal Bank of Canada.

J. A. RAYMOND, Montreal, Que.
Vice-President Windsor Hotel, Limited.

O. E. SMITH, Halifax, N.S.
President Maritime Telegraph & Telephone Company Limited.
Director Bank of Nova Scotia.

P. R. WALTERS, Montreal, Que.
Vice-President Imperial Tobacco Company of Canada, Limited.

JAMES HUTCHISON, C.A., Montreal, Que.
Riddell, Stead, Graham & Hutchison, Chartered Accountants.

We offer these preferred shares, together with a proportion of the common shares, if, as and when issued and received by us and subject to the approval of all proceedings by Messrs. McGibbon, Mitchell & Stairs, of Montreal, at:—

$135 per Unit

Each unit will comprise one share of preferred stock, three shares of common stock and an option warrant entitling the holder of the preferred share to purchase two additional shares of common stock at $11 per share on or before March 1st, 1931, or thereafter at $12 per share on or before March 1st, 1933.

In addition to the 20,000 units now offered, W. C. Pitfield & Company, have purchased 60,000 shares of common stock at the par value of $10 per share with transferable option warrants for a further 40,000 shares of common stock at $11 per share on or before March 1st, 1931, or thereafter at $12 per share on or before March 1st, 1933.

It is expected that interim certificates will be ready for delivery on or about February 25th, 1929.

Application will be made in due course to list the Preferred and Common Shares on the Montreal Stock Exchange.

W. C. Pitfield & Company
ROYAL BANK BUILDING, MONTREAL
TORONTO QUEBEC OTTAWA

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Bertie Township	Feb.	Dyment, Anderson & Co.	5%	30-ins.	62,905	98.65	5.11

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
University of Western Ontario	Feb.	A. E. Ames & Co.	4½%	1928-58	$140,000	94.845	4.96
Stock Issues—							
Can. Terminal System	Feb.	Willison, Neely Corp.	Com.	....	30,000 shs.	$35	...
Alleghany Corp.	Feb.	Wood, Gundy & Co., and U. S. Syndicate	5½%	Pref.	$25,000,000	100	5½%
Do. Do.		Do. Do.	...	Com.	500,000 shs.	...	.....
Can. International Investment Trust	Feb.	W. C. Pitfield & Co.	5%	Pref.	$2,000,000	...	.....
		(Offered in units of 1 share pref. and 3 shares of common, $135 per unit.					
Standard Paving & Materials	Feb.	Stewart, Scully Co., and Harley Milner & Co.	7%	Pref.	1,500,000	100	7%
Beaux-Arts Apartments	Feb.	National City Co%	1st Pref.		39,375 shs.	...	...
			Com.		39,375 shs.	...	...
		(Offered in units of one share of 1st pref. and one share of common stock).					
United Dairies	Feb.	O. C. Arnott Co., Carlile & Farr	6½%	Pref.	$750,000	100	...
Atlantic Securities Corp.	Feb.	Dom. Securities Corp. and U. S. Syndicate	Pref.	....	60,000 shs.	...	...
			Com.	....	60,000 shs.	...	...
	(Offered in units of	one share of $3 Cum. Pref. Stock with one	Warrant and one share of Common Stock)				
Southwest Petroleum Co.	Feb.	Doherty-Easson Co.	....	....	50,000 shs.	$2	...

THE FINANCIAL POST

Member Audit Bureau of Circulations

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Manager—GORDON RUTLEDGE
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TORONTO, FEBRUARY 8, 1929

A DEVELOPMENT LINE

IN 1912 parliament published all the reports of the years 1911 and 1912 on the Hudson Bay Railway. Not one word was mentioned in these reports regarding minerals, timber, or water power. The whole aim was to find a shorter and cheaper grain route to Europe.

In 1924, the Engineering Institute of Canada published a lengthy report on the line and this report made no reference to the possible exploration of rich natural resources as a result of the construction of the line.

In 1925, the On-to-the-Bay Association of Canada published a booklet of "Important Facts Relating to the Hudson Bay Railway." Meagre indeed were the facts presented by this booklet regarding minerals in the Hudson Bay region and discussion of other resources was also limited.

In 1926, Premier James G. Gardiner, of Saskatchewan, delivered one of his characteristically eloquent speeches at the Saskatoon banquet of the On-to-the-Bay Association and he made some slight reference to the development possibilities of the line, apart from its supposed solution of the problem of getting western Canada's grain to world markets at low cost.

The Hudson Bay Railway picture has changed materially since the days when these discussions came out. Now advocates of the line give full prominence to the mineral, water power, timber and agricultural assets awaiting development along the line.

Not long ago Hon. Charles Dunning, minister of railways, said:

"The Hudson Bay Railway was started to make available the shortest and most direct route to Great Britain for the agricultural products of the West, but a new factor has arisen which is destined to give the Hudson Bay Railway deeper significance. Minerals have been found. For some 200 miles the railway runs through territory covered by the Pre-Cambrian Shield, that highly mineralized formation which made the fortunes of Pittsburgh, and has given to Canada the second largest gold producing mine in the world and the monopoly of the world's supply of nickel, besides great resources in copper, silver, lead, zinc and the more important metals.

"Millions of tons of ore in sight promise a volume of traffic which in the beginning was never looked for, nor even dreamed of, but which, in itself, will more than justify the building of the Hudson Bay Railway. The Flin Flon represents just a spot in this area, yet the major developments which will follow from the Flin Flon mining discovery are expected to call for an expenditure of £15,000,000."

The Natural Resources Intelligence Service of the Department of the Interior, in co-operation with the Department of Railways and Canals, has issued at Ottawa a review of progress on the route and emphasis is placed upon present and prospective mineral development in the territory served, the building of branch lines and the likelihood that other extensions may be necessary, so that the Hudson Bay Railway "in itself will prove a profitable factor in developing the hinterland of Canada."

Some few years ago The Financial Post made the statement that Eastern Canada could be more easily convinced of the merit of the Hudson Bay Railway project if emphasis were laid upon these points rather than upon the more doubtful—and still unproven—matter of cheapening grain transportation costs to Europe. This brought forth some protest in the west but time has proven the statement to be correct. The opening of the Flin Flon mine has done more to win favor for the Hudson Bay route than all the reports, pamphlets and speeches previously published.

Even the Montreal Gazette, unfriendly in the past to the project, makes concessions when minerals and power are mentioned. It says:

"It is as a development road that the Hudson Bay line is to justify itself, and the present mining activities in northern Manitoba are not without their encouraging features in this regard. Indeed, it can be said that had the Hudson Bay line been advocated and projected as a development road, rather than as a fanciful grain route to the sea and Europe, much of the opposition that has been registered against the scheme from time to time would never have arisen."

"GO-GET-A-FACTORY"

IN THE matter of developing new industrial enterprises radical differences in viewpoint seem to exist between private power companies and such publicly-owned enterprises as the Ontario Hydro-Electric System. By concentrating on the promotion of industrial development, the power companies of Quebec have done a great deal to encourage the establishment of large industries in that old province. The power companies have maintained very active and helpful industrial commissions that have sold their territories as an automobile manufacturer would sell his new model. Moreover the power companies have offered the greatest inducements to industries that would fill in the depressions in their loads, industries that would, in short, absorb off-peak power. In this way, they have leveled their peak, increased their profits and at the same time, made lower rates possible.

The Ontario Hydro-Electric System has not been as active in promoting industrial development in Ontario. It has never, so far as we know, refused to supply power to any industry, and it does answer many inquiries regarding conditions in Ontario, but it conducts no active department to go after industries.

Being a public body, it would be handicapped, in doing so, by jealousies between different municipalities. And so it leaves it to the municipalities themselves to do the factory-chasing.

If Ontario's system had gone more actively after industries, capable of utilizing off-peak power, it probably would not to-day be exporting as much as 400,000,000 k.w.h. yearly of electrical energy to the United States. This power, if it brings in the million dollars a year reported by Hydro officials, is being sold at an average of about a quarter of a cent per k.w.h., which may be "velvet" for the commission viewed in the narrow sense, but is not "velvet" for Ontario if it could possibly be utilized in the province by the development of chemical or smelting enterprises that would even the power load.

Yet is it necessary that such apparently different policies should result from the difference in the ownership of Quebec's and Ontario's power plants? If Hydro, for political or other reasons, must restrain its industrial development activities, could not the Hydro municipalities organize a central bureau for the purpose? Such a body would not replace the present local industrial commissions, but could advise and direct them, could outline large-scale opportunities for industrial expansion and co-ordinate such of activities of the municipalities as would not eliminate the final consideration of friendly competition, based on local conditions.

A NEW YARDSTICK?

IN DETERMINING the results from one's investment program, one should, of course, always compound interest receipts that have been allowed to accumulate. Otherwise a false estimate of ultimate yield may be arrived at. But should one compound paper profits? The argument is made in a certain newly published investment book that this should be done.

There are different types of stocks. Two types might be mentioned. One is the type of common stock upon which large dividends are paid by the directors and which yields from year to year a substantial return to the investor. The other is the type of common stock upon which very modest dividends are paid, the balance of earnings being "ploughed back" into the business. The return to the investor in this type of security is in the early years seldom more than two or three per cent. on his investment. Yet many such securities have shown striking advances in the market and have in time reaped handsome rewards for patient holders. Imperial Oil and Montreal Power are two striking examples of this type of common stock.

How is the investor to make a fair comparison of the two types of stocks? How is he to know if the market advance in the second stock sufficiently offsets his loss of dividend return in the early years? To divide the number of years into the number of points appreciation, is not enough. The compound interest on his loss of dividends has to be considered.

A fair way is to attempt to analyze scientifically what an investment really does return. One way to do this is to charge each stock with a fair interest return—say, four per cent. or even five per cent.,—and to add any surplus to or deduct any deficit from the book value of the stock at the end of the year. Then add the market appreciation or deduct appreciation. The following year charge the interest return on this compound amount. If this is done on two different stocks over a term of years one will know the comparative results from the two.

Incidentally it may be noted that utilizing this method of calculation such stocks as Imperial Oil and Montreal Power show up much better in ultimate return than the high dividend stocks.

The proposal is novel, but so are many of to-day's ideas in finance.

BONUSES TO INDUSTRY

A SUBJECT that might well come up for discussion at some future conference of the provincial premiers is that of bonusing industries. Just now in western Canada there is some jealousy between the different provinces in the matter of obtaining new industries. In some cases, certain municipalities have been permitted by their provincial authorities to grant what are virtually bonuses to industries, although such are forbidden by the provincial law. The authorities have winked at the law rather than take action that would prevent one of the province's city from getting an important industry that it wanted. But it is fairly obvious that such competitive bidding for industries can only lead to the most serious abuses from which all municipalities and provinces might well follow the example of Quebec which have learned from bitter experience that competitive bonusing of industry does not pay.

It is, generally speaking, the habit for Canadian municipalities to grant limited tax exemptions or a fixed assessment to a new industry for a certain period of years. Such an investment may prove to be worth while for the town but the provinces should agree among themselves as to the limit to which such exemption must go. There is no general agreement now on the matter. Prince Edward Island and New Brunswick have no laws on the matter. Nova Scotia requires confirmation of the exemption by the legislature, but this is purely formal. In fact in Nova Scotia a cash gift or loan, guarantees of bonds, etc., can be had by vote of the ratepayers, confirmed by council and legislature. Manitoba and Quebec prescribe limits to tax exemption. Saskatchewan is very strict — in the letter of its law — and restricts bonusing to tax exemption for the current year, but this is easily evaded by selling city land at below its real value and in other ways. British Columbia grants rather wide powers in the granting of bonuses, although these powers are circumscribed by strict legislation. Alberta permits fixed assessments. Ontario permits fixed assessments but regular school and local improvement taxes are paid. The law provides for no other bonuses but nevertheless there was a recent case in which special legislation was obtained by a county to permit it to guarantee bonds of a new enterprise.

It will be seen from this hurried survey that while the general tendency for the provinces is to restrict bonuses to fixed assessments for a limited period, there are nevertheless many deviations from the general rule. The deviations that are the result of evasions of the law are even more important.

Study should be given to the problem now by all the provinces in order that at the next provinical premiers' conference an understanding may be arrived at for defining a limit beyond which no municipality will be permitted to go in bonusing industry.

WHAT PROFITS PAY FOR

THE profit system has one advantage above others; it puts a premium on service, efficiency and fair dealing and it penalizes indifference, blundering and sharp practice.

Whatever the profit system costs it is worth the price to have these qualities in our economic relationships with one another.

In his new book, entitled "The Confessions of a Capitalist," Sir Ernest J. P. Benn, the English publisher, says:

"If your goods are acceptable, or your services useful, you will receive a profit. If, on the other hand, your fellow-creatures decide (wisely or unwisely, it makes no matter) that they do not want your goods, or that they will get on better without your services, then you will make a loss. The profit-making system is the only one under which the consumer can be perfectly sure of obtaining the article he wants—any other scheme can only mean that he will have forced upon him the article which somebody else thinks he ought to want.

"Working for a profit on an individualistic system also ensures that the people who receive the goods are the same as those who pay for them—a very important point. Based upon the interests of the consumer, it is the only system under which the consumer can ever stand a chance. We can make no money, we can do no good, unless we can persuade others to accept our services at the value that we and they jointly place upon them."

The wealthiest concerns usually give the highest value for the money. The man who is making money is usually a more valuable servant of the public than the man who is getting nowhere. Profits buy for us many things that are worth-while having.

NOT ENTIRELY FAIR

FIGURES have been published showing that between 1925 and 1928 Quebec increased its monthly production of power by 400,000,000 k.w.h., while Ontario increased its output by 82,000,000 k.w.h. It is stated that "this reflects the influx of capital and industry into Quebec, following the development of the Saguenay, St. Maurice, Gatineau and Southern Canada territory."

The Financial Post intends to make no defence of Ontario's policy of power development, which undoubtedly has curbed industrial development in that province and put it at a disadvantage compared with Quebec, but as a national newspaper it can not allow the statements quoted to go unchallenged. Quebec is generously permitting the export of a considerable quantity of power to Ontario and this export will grow. The power will be credited to Quebec's production but the industrial development that is based upon the power exported is in Ontario. Thus the figures of increased power production do not represent the comparative industrial development of Ontario and Quebec in the three year period.

There is considerable evidence that Quebec is developing large industries more rapidly than Ontario but existing industries in Ontario are probably growing more rapidly than existing industries in Quebec, especially in the smaller groups.

EDITORIAL NOTES

ANY man with a doubtful past has a doubtful future.

* * *

MOSCOW'S new peasant policy probably will not be a pleasant policy.

* * *

THE FIGHT for control of a certain restaurant chain is not mere "Child's-play."

* * *

ON THROUGH motor routes, lemonade has solved the problem of farm aid. And hot dogs keep the wolf from the door.

* * *

PEOPLE who sell Italian securities short are put in jail by Mussolini, while people who sell Canadian securities short usually go to the poorhouse.

* * *

LONDON'S stock market is now being held up by New York prices. And a slump on New York would affect Canadian stocks. There is no financial insularity.

POST-scripts

OVER four thousand years of work in the service of the public were represented at the annual dinner of the Montreal Light, Heat and Power "Veterans' Guild" held last week in Montreal.

The "Veterans' Guild" is an attempt to keep the older employees in touch and sympathy with each other for their mutual welfare and benefit. It is composed of 118 "power" men, each with a record of 25 years or more of service with M. L. H. & P. or its parent companies.

The "dean" of the group has been with the company continuously for 64 years; has a son with 34 years' service to his credit and a grandson with five years—making over a century of service in the family. There are five men with records of over fifty years each. Included in the number also are 23 pensioners who are enjoying surcease from labor.

The M. L. H. & P. Company is actively interested in its unique organization of older employees, of which it is very proud, but the body of men is absolutely democratic and self-governing. It elects its own officers and conducts its own affairs.

Fables in Finance

The Fable of the Man Who Had Too Much of a Good Thing

By JOHN DUKE

The Young Man did not know what it all meant when the Executor of His Uncle's Will told him that he had been left 90,000 shares of stock in the Highgrade Gold Mines, Limited.

"The par value of the stock is $1 ..began the Executor.

"Good Lord! That means it's worth $900,000," said the Young Man, getting excited.

The Executor splashed Cold Water. "No, it's only selling in the Market for five cents a Share."

Even that was a lot of Money to the Young Man who up to then had never had more than $9.85 at one time. "Why, even at five cents it's worth $45,000," he said.

The next morning he went to a Stock Broker. His Manicure told him where he could find one.

"Sell me 900,000 shares of Highgrade Gold Mines at five cents," he said, and give me the money in a draft on Paris."

The Broker thought he was crazy but soon discovered that he was only Rich.

"Why, if you tried to sell 10,000 shares the stock would go down to one cent," he said. "There's no demand."

"What's demand?" asked the Young Man. The Broker changed the subject. "The Mine hasn't any Money and it hasn't any stock in its treasury and its Plant is closed down so your 900,000 shares are not worth anything unless someone wanted to buy it."

"What would it be worth if someone wanted to buy it?" asked the Young Man, who was beginning to learn something about Finance.

"Oh, if someone wanted to buy it you could probably make them pay forty or fifty cents a Share for your Block of Stock because it is a Controlling Interest."

The Broker saw that this was very Confusing to the young man. The Young Man could not see it at all.

"I'll tell you what I'll do," said the Broker. "I think it is a good Property, if it could raise more Money. If you will agree to give away——"

The Young Man interrupted but the Broker did not hear him.

"——if you will agree to give half of your Stock back to the Company and give me an option on the balance at 25 cents a Share I think I can make a Market for the Stock and that will get you about $100,000 for your Stock and give the Company about the same amount. The Company can then sell its Stock in the Market to raise Working Capital of about the same amount."

"You mean, then," said the Young Man, "that I cannot sell any of my Stock at five cents, which would be $45,000 for the lot, but that if I give away half of it free I can sell the balance for twice that?"

"That's about the size of it," said the Broker who knew all about Deals.

"Well, I don't understand it," said the Young Man, "but the Joke is not on me so go ahead and do it."

MORAL: It is more blessed to give because then you receive.

"Six Per Cent and Safety;" Good Investment Companies Give Old Slogan New Life

By DOUGLAS E. WATTS

So much of investment thought in this country is shared with that of our neighbor to the south that a recent series in the leading American weekly financial paper on buying investments for income is worthy of note as indicating a more than passing thought on investment values at a time when yields are low and money is high.

That Canadians are not unaware of the advantages accruing from high income return may be seen from the fact that exports of capital from this country last year exceeded imports by $27,000,000, much of which went to the purchase of obligations of foreign countries yielding from one to two per cent. more than similar securities in the Dominion. Buying demand in this country combined with foreign buying of Canadian securities estimated at $130,000,000 was sufficient to bring the yield on common stocks to a lower figure than ever previously known. The great and justifiable faith in the future of the Dominion which is at the back of the present trend away from high income bearing securities towards junior equities in corporations having earning possibilities has, however, not unnaturally brought in its train a wave of speculative buying which has not only exploited the future possibilities of many of the potentially great companies of the future, but has carried along with it others of less analysable value, and some even of little worth. Admittedly in a growing country the yardsticks applicable in others of diminished potentialities are of little use. Nevertheless, it would seem that there might well be danger ahead for the investor who believed that every common stock should sell on a yield basis of two per cent.

Buy Fewer Senior Securities

The present day trend is so far away from the investment buying of senior securities, unless these have been sweetened by a balloon attachment in the form of a call on common stock that the investor whose need is primarily income will be more and more forced to look to other countries for seasoned securities of high yield. Unless, of course, he is willing to deny the sacredness of capital and will take a yearly proportion of this by the sale of stocks. The alternative is to entrust his funds to the safekeeping of one of the many investment companies which now form a considerable proportion of the new offerings being made by investment bankers. Last year over 200 investment companies were created on this continent, and as many more the year before. While many more may come into being during the current year, enough of the difficulties attendant on them have been learned by earlier promoters to deter all but the larger and well sponsored type. Of the earlier companies some have already faded away, despite the obvious advantages of a prolonged bull market, others are merging and, in the United States, legislative restrictions may eliminate others. Public participation in the financial knowledge of some of the leaders of finance and industry in America as illustrated by recent formation of strongly sponsored companies capitalized at more than $100,000,000 is indicative of what may be expected, on a smaller scale in Canada.

Shares of Investment Companies

The preferred and common stocks of these investment companies offer the tangible advantage to the investor of a combination of high diversification and good yield, plus appreciation on the common, dependent directly on the managing ability of their directors.

There is, however, no royal road to the attainment of these desirable qualities and for that reason the investor who elects to defer his judgment of securities to a board of experts should make sure of the integrity and money making ability of that board. It is desirable, of course, that the sponsors should have a paid up equity in the company, and if the earning ability of the company directly influences the remuneration of its directors the investor can expect more than average marketability for his stock. He would virtually be in partnership with money-makers which is a position usually commanding a premium.

Six Per Cent. and Safety Again?

The business of investment calls for much expert and highly technical knowledge, not only of markets, but of industries and all manner of extraneous subjects that for many investors of moderate means the well chosen investment company might be as good an investment as any he could make in individual enterprises, without the risk usually attendant. While none of the companies on this continent have yet had to weather a period of business distress those of prominently identified management should always be able to show at least to earn six per cent. on their preferred stock so that the forgotten slogan of four years ago "six per cent. and safety" may well come into its own again.

Stop Me If You've Heard This One

A New Yorker, with riches acquired through the thoughtfulness of Mr. Volstead, left the city for a visit to his elaborate hunting lodge in the Adirondacks. On his arrival there it was discovered that the most important item, ostensibly, of the expedition—his rifle—had been left in the city. The long distance telephone was brought into use. The butler in the New York mansion answered the call in well modulated accents.

"I am unable to hear what it is you require, sir," said the polished retainer.

"My gun. Send me my gun, which I left behind."

"Your what, sir? Send some gum?"

The mighty Nimrod lost his temper. "Gun, you idiot, send me my gun! You can't hear? G for jury, U for Europe, N for pneumonia—Gun. And if you don't understand that, you're fired!"

New Books

Scientific Investment

Superficial studies that have been made of investment results under different investment plans have in recent years shown common stocks of established companies in a very favorable light. The appreciation in individual common stocks or even in groups of common stocks has created the impression that over a term of years such securities return the investor the highest ultimate yield. Always, of course, diversification has been urged as a necessary element in successful investment in common stocks. But comparative studies in investment returns are apt to be lacking in scientific method. A scientific analysis of investment demands an immense amount of research, a great deal of intelligent work with a calculating machine, and above all, an open mind uninfluenced by hindsight.

The most complete and most scientific analysis we have seen of the results under different investment plans is that contained in a new volume published by Harper and Brothers of New York, under the title of "A Scientific Approach to Investment Management." It is written by Dwight C. Rose, an American investment counsel, and a reading of it arouses a desire to congratulate the author on having been willing to make so extensive a study to determine if current common stocks theories have worked out in practice and are likely to work out in practice in the future.

At this point, it might not be amiss to record the fact that Mr. Rose has apparently finished his studies with the utmost confidence in common stocks and the data he provides amply warrants him in his statement that "the common stock has passed through a period of doubt and experimentation and is to-day a conspicuous investment instrument."

In measuring comparative results from different types of investment, one is apt to use only one of many yardsticks that could be employed, such as dividend yield, appreciation in capital, etc. Even a combination of two or more of such standards, if not approached in a scientific spirit, is apt to lead one astray. Mr. Rose tackles investment as an underwriting or insurance problem. The investor starts with a fund of, say, $10,000. If he puts that in the safest possible securities he would earn at least 3½ per cent. (in Canada four per cent.) without assuming any risks whatsoever. That is around the average riskless rental value of money. Actually, though, if an investor runs into a period of rising interest prices, his four per cent. bonds may depreciate in value, although he will continue to get his interest. This brings us to another novel point advanced by Mr. Rose; namely, that appreciation or depreciation in book values must be considered as part of an addition to or deduction from the yearly return one earns on investments. Mr. Rose does not hold to the theory that profits have to be taken in cash to be considered as profits.

He has worked out a yardstick for measuring investment accomplishment. It is simply the annual return earned by an investor over and above what he could have gotten by purchasing securities in which no risk was present. This return is the excess interest yield above 3½ or four per cent. plus the annual appreciation (or minus the depreciation) in any year. Both appreciation and depreciation in market value should be compounded, he believes. If one does this with a group of securities over a long term of years, one can judge one's exact investment accomplishments.

Using such a yardstick he measures industrial common stocks, railroad stocks and a general list of bonds since the beginning of the century and the results from industrial common stocks have been magnificently superior to the results from railroad stocks or bonds.

This is a rather stimulating book and particularly to the investment counsellor or the investing officers of an institution with much money to invest, should prove of distinct value.

Two Papers That Lead Their Field

Editorial in L'Evénement, Quebec

Taking into consideration the special difficulties with which it has had to contend, Canadian journalism in the last few years has made remarkable progress. We refer exclusively to material progress. The success of a newspaper like the Montreal Star, whose founder lately celebrated with legitimate pride the 60th anniversary of his happy effort, is as remarkable, all other things being equal, as that of the most popular tabloids of New York.

In Canada, the large urban centres are far from being surrounded by a suburban and rural population as dense as those of the large cities of Europe or the United States. The acquisition of a large clientele of readers and advertisers is thus more difficult with us than anywhere else. In this connection let us notice that the newspapers of Quebec have a circulation proportionately greater than that of the most influential dailies of the United States.

More remarkable still than the success of Baron Athelston is that of Colonel John Bayne Maclean, founder and editor of a number of periodicals devoted to the interest of various branches of industry and of Canadian commerce. In the course of a career of less than 40 years, the most noted of Canadian editors has created more than twelve newspapers and reviews, weekly and monthly, whose economic influence is exceptional.

Among those numerous publications there are two of which Colonel MacLean, in our opinion, has particular reason to be proud. We mean The Financial Post and MacLean's Magazine. For information, foresight, and salutary influence, these two publications, so different in kind, are at the head of their competitors. Let it be said to the honor of their fortunate proprietor that the object which he has had in view since their foundation has been to free Canadian readers from the influence of American financial newspapers and magazines.

That he has succeeded in realizing this patriotic wish, is proved by the extensive circulation and the influence of these financial and literary reviews. The circulation of MacLean's, for instance, exceeds, by about 25,000 copies, the circulation in Canada of the most popular American magazine. Colonel Maclean has a right to the admiration and co-operation of all his fellow countrymen in a work of such a national character connected with the press.

In the Mail

Bank Reserves

Editor, The Financial Post:

All but one of the chartered banks in Canada have a reserve more than their capital. Are they justified in increasing it higher than their capital? One of the reasons often given for doing so is, that the shareholders are liable for double the amount of their stocks. Surely a reserve of 100 per cent. should be ample to protect them from having to make good any shortage, providing the business of the bank is conducted on sound banking principles. (Those that failed in the past were not so conducted). Another reason given for a bank increasing its reserve is that it makes the earning power of the bank larger by giving them more money to do business with, without having to pay dividends on it. When a bank requires more money it should increase the capital. I feel quite confident that the shareholders would be very glad to purchase almost any amount of new shares required.

The profits that are made belong to the shareholders and all made over the 100 per cent. reserve (after allowing a liberal amount for losses), should be paid to the shareholders when the profits are made, and not allowed to accrue for the benefit of future shareholders.

The reserve of the respective banks including balance at credit of profit and loss account are as follows:

	Capital	Res. & P.&L.
Banque Canadienne Nationale	$5,500,000	$6,049,944
Bank of Commerce	24,823,400	25,127,775
Dominion Bank ..	6,000,000	8,272,287
Imperial Bank ...	7,000,000	8,619,202
Bank of Montreal	29,916,700	31,630,488
Bk. of Nova Scotia	10,000,000	20,914,725
Provincial Bank	4,000,000	1,865,841
Royal Bank	30,000,000	32,361,085
Bank of Toronto	5,000,000	7,901,175

The Bank of Commerce, Royal Bank and Bank of Montreal have holding companies for part of their bank premises, which are carried in their books at a very low valuation, if a reasonable or market valuation was placed upon them it would increase the reserve of those banks very much.

The rate of income on bank stocks at the present market price is very low, and if it were not for the rights which the shareholders receive (when new stock is issued) it would be better for them to sell their shares, and invest in bonds or stocks of companies paying a higher rate of interest or dividends. I have spoken to financiers and bankers about this matter and they agreed with me that the reserves carried by the banks are too high.

—Bank Shareholder.

Toronto,
Feb. 5, 1929.

Freeman Leaves Western to Join Otis & Company

Prof. Ralph E. Freeman, head of department of economic and political science of the University of Western Ontario, is resigning to join Otis & Company, investment bankers of Cleveland. He will be in the buying department.

Prof. Freeman has specialized in the study of finance and has published "Economics for Canadians."

Will Advertise Hamilton

Hamilton Chamber of Commerce has completed arrangements with the city council to raise $15,000 for publicity and convention purposes. The Chamber, with the co-operation of various clubs, will make a canvass of the public for one half of the amount, the city undertaking to supply the other half.

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Background of Business

Weekly Review of Canadian Conditions

CONDUCTED BY JOHN E. LANGDON

January Returns Indicate Business Away to Good Start "Heavy" Industries in Sound Position; Much Work Ahead New Building Undertaken Last Month Sets New Mark Early Movement of Crop Affects Freight Loadings Substantial Increase in Revenue from Expanding Trade

MAJOR indices of business covering the past month have tended to bear out the confident statements made at the year-end as to a continuation of the high level of activity that prevailed throughout 1928. Although too early to indicate any definite trend, current indications remain most hopeful.

Reports from the principal industrial centres across the Dominion are uniform in tone; all reporting less let-down than usual at the year-end and the majority of manufacturers now going ahead with plans for the coming year's business.

Open Winter Benefits

The open winter in many parts of the country undoubtedly has been of great benefit to certain industries. Consequently it is expected that spring operations will get under way early. In that event a considerable quantity of work will be available at an earlier date than last year, which should allow manufacturers to maintain plant schedules at a reasonably high level in the next two months.

Furthermore the "heavy" industries, such as iron and steel, building, automobile, etc., have a larger amount of business on hand than at the same time last year. In fact, several of the leading industrial companies have sufficient orders on their books to keep plants busy for several months ahead.

Contemplated new work assures a maintenance of activity until well toward the end of the year. This statement applies primarily to the primary iron and steel producers, steel fabricators, railway rolling stock manufacturers, machinery and farm implement makers, automobile producers, etc.

One sign pointing to this excellent state of affairs, is the volume of employment. It will be recalled that the number of workers engaged at the beginning of the year was much larger than at any corresponding time in the past eight years. The amount of unemployment at present is comparatively small; in fact, the number of vacancies appear to offset the number of applications for work applying to the Dominion Government offices.

A survey of industry in general does not reveal any untoward changes. Some branches have shown the usual seasonal decline in plant activity, but, as previously pointed out, this has not been so pronounced as in other years. Taking the situation as a whole, however, there appears to be more production for the past four weeks than during the corresponding period a year ago.

New Building Large

Without doubt the most encouraging sign in the business realm this year, was the large amount of new building contracted for last month. January, usually a quiet month for new construction, showed $41,962,900 worth of new contracts. This is the first time such a large volume of work has been contracted for in the first month of the year. The total doubles that for January, 1928, and exceeds December last by 122 per cent.

Such a total in January has no particular significance, points out MacLean Building Reports, except that it shows construction does not slow up during the winter to the extent it did a few years ago. Particularly favorable weather in many parts of the Dominion, no doubt, affected the total to some extent.

The greater percentage of the awards last month were for engineering construction. This group accounted for 47.8 per cent. of all construction, the total being $20,064,000. Business buildings took car of 40.3 per cent. or $16,895,900, while the residental total was $4,077,500 or 9.7 per cent., and industrial $925,500, or 2.2 per cent.

Further it is interesting to note that 40.8 per cent. of the new contracts for January were awarded in the Prairie Provinces. This is explained in a large measure by the fact that the contract was let for the first unit of a new power development in Manitoba. Ontario accounted for about 30 per cent. of the contracts; British Columbia 18.4 per cent.; Quebec 10.9 per cent. and the Maritimes less than 1 per cent. of the total.

Less Freight Carried

While the volume of new building already undertaken this year is encouraging, the decline in the volume of revenue freight carried by Canadian railways is a sign which would be unfavorable, were it not for a number of unusual circumstances.

For the first four weeks of the current year 220,869 cars were loaded. This compares with 243,235 and 233,777 cars in the corresponding periods of 1928 and 1927, respectively. The decline of over 22,000 cars from last year is wholly accounted for by the decrease in loadings on Western lines. This in turn is due to the fact that the movement of grain to the head of the lakes last fall got under way more quickly than usual, with the result that there was less all-rail movement during the winter months.

Will Affect Returns

This circumstance will become more and more apparent in returns for the next month or two. While it means a loss in revenue to the railways, it does not mean that business is likewise declining. The returns show that loadings of merchandise and miscellaneous freight are greater than in the first four weeks of 1928.

While the West has registered a decrease in cars of freight loaded, the East shows a substantial gain. In the first four weeks of 1929 this division had a gain of 3,804 cars, the decrease of 4,515 cars of pulpwood being more than offset by increases of 4,703 cars of miscellaneous freight and 2,901 cars of grain.

Continued Trade Growth

The early movement of grains to the seaboard again reflects itself in the trade returns for December, during which month exports were valued at $133,245,000, bringing the total for the year up to $1,374,130,197. For the same month imports amounted in value to $94,620,900, or $1,222,317,900 for the full calendar year.

The increase in exports is almost solely due to larger shipments of agricultural and vegetable products, the gain in this division during 1928 over 1927 amounting to about $105,000,000. Other groups showed slight increases or decreases, the net gain being $131,000,000. All the main groups of imports registered increases, the total amounting to $135,000,000.

Revenue Up Sharply

An interesting feature of the trade returns for last year is the heavy increase in duty collected. In all, some $192,265,500 was collected. This compares with $168,303,000 in the previous year, an increase of $24,000,000.

It is reasonable to expect that this gain in revenue will enable the Dominion Government to make further reductions in taxation. Parliament will convene shortly and it is expected that the new budget will contain many items of benefit to Canadian business.

Business Conditions in United States

Cheque payments during the week ended January 26 were smaller than in the preceding week but showed a considerable gain over the same period of 1928, according to the weekly statement of the Department of Commerce. Steel plants were more active during the week than in either the preceding week or the corresponding week of the previous year. Activity in the automobile industry, as indicated by factory employment in Detroit, showed substantial expansion, as compared with the preceding week and the same period of 1928. The output of crude petroleum, lumber and bituminous coal, covering the latest reported week, was greater than during either the previous week or the same period of last year.

The general index of wholesale prices showed a further gain as compared with both the previous week and the same period a year earlier. Prices for copper and iron and steel averaged higher than in either prior period, while prices for cotton, though showing a decline for the preceding week were higher than a year ago.

Loans and discounts of Federal reserve member banks showed a further contraction from the preceding week but were larger than a year ago. Interest rates on call loans averaged lower than in the previous week but were higher than a year ago. Time money rates showed no change from the previous week but averaged higher than in the same period of 1928. Bond prices showed no change from the previous week but were lower than in the same period of 1928. Prices for stocks reached a new high record during the week.

Cattle receipts at primary markets during the week ended January 19 were greater than a year ago. Hog receipts, on the other hand, were smaller than last year. Receipts of wheat also showed a decline from the same period of 1928. Business failures covering the latest week showed a decline from both the previous week and the same week of last year.

Weekly Business Conditions
Average 1923-25=100

	1929 Jan. 19	1928 Jan. 21
Steel operations	109.2	97.0
Bituminous coal production	120.4	99.8
Lumber production	102.3	101.4
Petroleum production (daily average)	126.9	114.3
Detroit employment	129.1	99.9
Freight car loadings	....	92.2
Bldg. contracts 37 states (daily average)	109.6	104.3
Wheat receipts	52.9	77.8
Cotton receipts	57.7	68.1
Cattle receipts	89.2	86.7
Hog receipts	130.7	132.5
Price No. 2 wheat	88.4	103.9
Price cotton middling	75.0	71.0
Price iron and steel, composite	87.5	85.3
Copper, electrolytic, price	120.3	100.0
Fisher's index (1926=100)	97.2	95.7
Check payments	141.3	130.0
Bank loans and discounts	129.3	122.6
Interest rates, call money	169.7	97.0
Business failures	143.2	148.9
Stock prices	240.0	183.7
Bond prices	107.3	110.9
Interest rates, time money	177.1	102.9
Federal reserve ratio	86.5	93.8

Besco's Coal Output Shows Substantial Gain

From Our Own Correspondent

MONTREAL.—The output from the Besco collieries for January showed an increase over the previous month and a substantial gain over the same month in 1928. The figures for January indicate that the winter production from the mines will be the best in several years past. It is thought that production in February will be higher than the output in January, despite the fact that the month has fewer working days.

Production at the Scotia collieries showed a marginal decline, while mainland production was about the same. The Dominion Coal collieries was responsible for the greater part of the increase, with an output of 50,000 tons more than in the previous month. Following is a comparison of tonnage output figures:

Jan., 1929	Dec., 1928	Jan., 1928
427,404	378,614	341,034

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1928	Weekly Latest 1927	Cumulative for Year 1928	Cumulative for Year 1927
Car Loadings (Jan. 26, '29)	59,415	61,909	220,869	243,235
Stock Index (Jan. 31, '29)	1150.7	317.7	......	......
C.P.R. Gross Earn. (Jan. 31, '29)	$ 4,973,000	$ 4,934,000	$ 15,613,000	$ 15,033,000
C.N.R. Gross Earn. (Jan. 31, '29)	$ 6,656,120	$ 6,144,631	$ 18,177,685	$ 18,871,671
Production—		Monthly		
Pig iron, tons, (Dec.)	103,450	63,197	1,037,535	709,697
Steel, tons, (Dec.)	103,054	96,248	1,240,214	907,638
Newsprint, cwt. (Dec.)	208,484	181,600	2,381,102	2,086,949
Automobiles (Dec.)	9,425	3,106	242,382	179,054
Boots and Shoes, pr. (Nov.)	1,289,758	1,408,979	16,500,018	16,319,997
Flour, bbls. (Oct.)	2,130,000	2,005,000	15,502,000	13,815,319
Construction—				
Building Permits (Dec.)	$ 16,742,139	$ 11,755,566	$ 220,265,100	$ 184,613,742
Contracts (Jan., '29)	41,962,900	20,480,000	......	......
Labor—				
Employment Index (Jan. '29)	109.1	100.7	......	......
Trade—				
Imports (December)	$ 94,620,925	$ 83,262,695	$1,222,317,916	$1,087,117,930
Exports (December)	$ 130,847,423	$ 130,277,157	$1,349,751,403	$1,218,336,773
Imports of Key Products—				
Rubber, lbs. (Dec.)	5,865,337	5,156,384	69,190,918	59,253,424
Cotton, lbs. (Dec.)	17,480,798	19,198,220	134,103,616	136,232,068
Sugar, cwt. (Dec.)	456,587	247,007	9,093,823	9,539,653
Petroleum, refined, gals. (Dec.)	13,863,411	8,190,314	162,379,725	126,680,519
Coal, tons. (Dec.)	1,714,023	1,363,488	17,194,761	18,172,996
Exports of Key Products—				
Newsprint, cwt. (Dec.)	4,263,244	3,584,043	44,131,754	37,637,308
Automobiles, No. (Dec.)	6,646	2,193	79,388	57,414
Wheat, bush. (Dec.)	49,088,963	44,808,700	365,428,561	255,062,125
Wheat flour, bbls. (Dec.)	922,965	956,762	10,737,266	9,262,936
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,438,880	1,313,834	14,461,151	12,848,668
Population—				
Emigration (Sept.)	7,538	9,542	......	......
Immigration (Oct.)	8,041	9,433	......	......
Finance—				
Failures, No.	......	......	1,863	1,993
Failures, Liabilities	....	....	$ 36,451,242	$ 26,056,208
Bank Debits (Dec.)	$3,866,181,970	$4,274,077,903	$43,472,208,879	$36,093,503,098
Bond Sales (Dec.)	$ 55,475,676	$ 16,711,620	$ 439,516,296	$ 617,266,678
Insurance Sales (Dec.)	$ 56,647,000	$ 48,899,000	$ 580,674,000	$ 502,438,000
Wholesale Prices (1913-100)—				
General Index (Dec.)	146.7	151.8	......	......
Iron	140.5	141.1	......	......
Cottons, raw	155.8	159.7	......	......
Grains	137.2	159.7	......	......
Cattle	134.5	140.4	......	......
Rubber	35.7	65.0	......	......

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Halifax Port Busy

The Port of Halifax is experiencing one of the busiest seasons in its history, and indications are that this will increase, declares Commissioner C. H. Ackhurst, member of the Halifax Harbor Board. "Hitherto," he said, "we have never handled much grain through Halifax, but this season we have hopes of exporting in the neighborhood of 5,000,000 bushels—a modest but important beginning."

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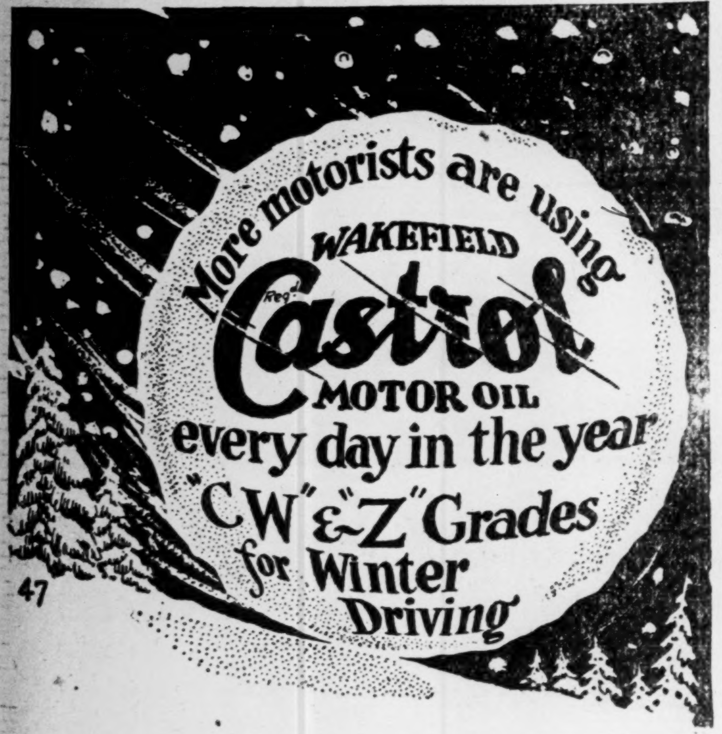

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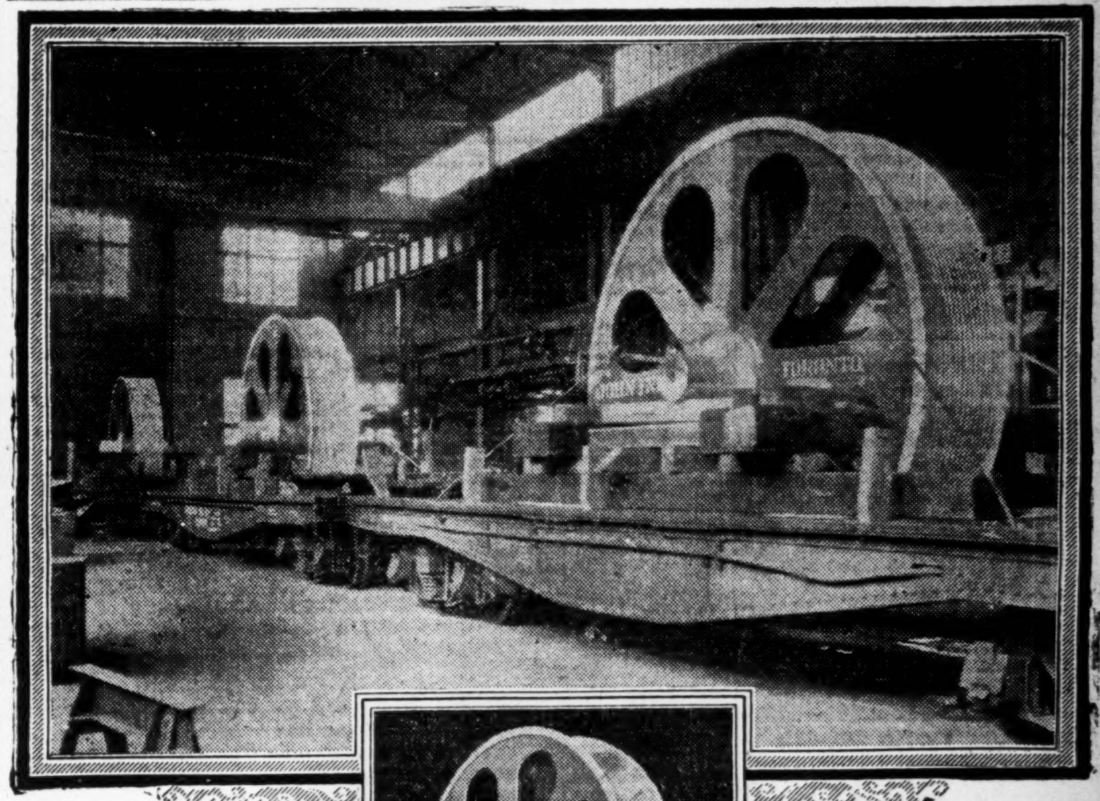

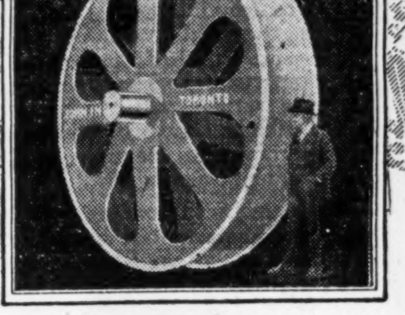

ILLUSTRATED above is a shipment of wheels ready to be mounted on structural steel towers and used on the Lift Bridge of the new Welland Canal. Four wheels were ordered, each wheel being a one piece steel casting 30 inches wide, 13 feet "pitch diameter," and weighing 15 tons.
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Pulp & Paper

MERSEY PAPER PLANS TO INSTALL THIRD MACHINE

Daily Output of Mill Would Approximate 350 Tons

From Our Own Correspondent

MONTREAL.—The Mersey Paper Company will undertake the addition of a third production unit which will raise the daily output of the mill from 250 tons to 375 tons. I. W. Killam, president of Royal Securities, and a party of officials of the Mersey Company, recently made a tour of the mill site and power development areas of the company. "Both Colonel Jones (president and general manager of Mersey Paper) and myself, see no reason why a third machine should not be installed comparatively soon after the completion of the second machine," were the words of Mr. Killam, according to a despatch in the Halifax Herald.

The first machine of the Mersey Paper mill will be installed and in operation in October, 1929. The second machine will be in operation November, and, according to present plans, the third production unit will be added to the mill in 1930. The mill itself is being built with the idea of this expansion, a temporary wall being placed on one side of the building, in order to facilitate the installation of the third machine.

Construction Well Advanced

Construction of the main unit of the mill, housing the machine shop, stores and offices, is already well advanced. Considerable progress has been made on the groundwood and sulphite mills, and the mixing room. The dock system is almost half completed, and all foundations and piers are in place.

At the power development site on the Mersey River, more than 1,100 men are engaged in construction work. The project is resolved into three developments at Upper Lake Falls, Lower Lake Falls and Big Falls. The development work at Upper Lake Falls is now proceeding. The intake dam there will serve as a storage dam for Lake Rossignol, which has a drainage area, of 550 square miles, and an estimated storage capacity of 512,000 acre-feet, for a 20 foot depth. It is expected that this power development will provide 105,000,000 kilowatt hours per year to the pulp and paper mill of the Mersey Company.

Bondholders May Dispose of Clyde and Sissiboo

From Our Own Correspondent

MONTREAL.—The calling of a meeting of the Clyde and Sissiboo Pulp Company bondholders for Friday, February 15, seems to indicate that some progress has been made toward disposing of the undertaking. The Royal Trust Company has been administering the property for the bondholders. At the meeting it is proposed to form a bondholders' committee which will have full power to sell the undertaking. If no private sale is made before April 15 this year, it is proposed to sell the undertaking by public auction without any reserve bid on the assets.

Thunder Bay Paper Company Elects Its New Directorate

From Our Own Correspondent

MONTREAL. — The Abitibi Power and Paper Company and the Canada Power and Paper Corporation have appointed the following board to direct the destinies of the Thunder Bay Paper Company, their recently acquired subsidiary: Alexander Smith, New York; F. A. Sabbaton, Grand 'Mere, P. Q.; George M. McKee, Montreal; George H. Montgomery, K. C., Montreal; L. R. Wilson, Montreal. The following officers were also elected: Alexander Smith, pres.; F. A. Sabbaton, vice-pres.; L. R. Wilson, managing director; W. H. Smith, sec.-treas.; T. Broadhurst, asst. sec.-treas.

Montreal Brokers Enlarge Offices to Meet Needs

From Our Own Correspondent

MONTREAL.—To meet its expansion needs, MacDougall and Cowans, members of the Montreal Stock Exchange, has acquired the property adjoining the company's present offices on St. James St., Montreal. The firm will thus have floor space extending from St. James St. through to Notre Dame St. The new owners will take possession on May 1, and will extend their present offices at that date.

Another stock broker's firm which feels the need for expansion is O'Brien and Williams, who have enlarged their premises by taking over the offices formerly occupied by Credit Canada, Limited.

Investment House Officials Face Charges in Montreal

From Our Own Correspondent

MONTREAL.—Two leading officials of the defunct Credit Canada, former Montreal investment house, are facing charges of fraud. L. A. Ouimet and Luc Rochefort are charged with applying $290,000, received from the shareholders of Credit Canada, to purposes for which it was not supplied by the shareholders. The money was to have been applied to the company's bond issues. Both Ouimet and Rochefort have each posted $55,000 personal bail, and will reappear before the courts this week.

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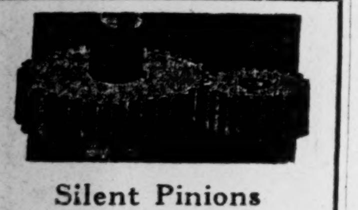
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St. Lawrence Paper Starts New Machines

From Our Own Correspondent

MONTREAL.—It is understood that the St. Lawrence Paper Mills has begun to operate its two new machines. The capacity of the plant has thus been increased from 300 tons daily to 450 tons. The two machines have only just begun to operate and it will be some months before they will be tuned up sufficiently to permit both to produce their rated capacity of 75 tons a day. The expansion of the plant was completed on scheduled time.

FRASER EARNINGS ARE DISCOUNTED AT PRESENT PRICE

Benefits of Company's Expansion Scarcely Felt as Yet

From Our Own Correspondent

MONTREAL.—Despite the continuance of the bullish talk on the Fraser Companies, it seems improbable that earnings in the 1928 year will be very substantially above the dividend requirements. The company's expansion program was only completed in November and during most of 1928 the Fraser Companies' operating capacity was little greater than 1927.

In addition to comparatively little increase in its productive capacity until recently, the increase in the funded debt last year to pay for the extension to property, has resulted in a considerable increase in fixed charges. Hence, if the company shows dividends earned twice over in 1928, it should be accounted a good report.

In 1927, after all write offs, including $83,000 for bond discount, net profits were less than $600,000 applicable to its common shares. The Fraser Companies now has outstanding 398,481 shares on which the dividend requirements are $1 a share annually. Hence, if, after all charges, dividends are earned twice over, profits for 1928 would have to amount to close to $800,000, as against just below $600,000 in 1927.

Long Hold Outlook Good

In 1928 the company will show earnings nothing like comparable with the present market quotations for its common shares. Indeed, the company will be doing very well if, in 1929, it shows earnings on its common stock comparable with present prices. While the outlook for the Fraser Companies as a long hold is excellent, the reason why the shares are selling at their present price seems to be largely, pool operations. Those with a knowledge of the Fraser Companies feel that in 1929 earnings should run only to about $6 a share. This might be taken as justifying present market prices which have averaged about $85 a share lately.

While the stock sells out of relation to the company's immediate earning power, there are several favorable factors surrounding the future outlook for the undertaking. There seems no reason to doubt that the Fraser Companies will establish itself securely in the U. S. paper market and over a term should make good profits on sales of paper from its U. S. mill. Virtually all the company's output of bleached sulphite is being pumped across the international border from the Madawaska mill. In addition to its original expansion program which was completed recently, the Fraser Companies is building another large sulphite pulp mill which will have a daily capacity of 150 tons. This will permit the company again to enter the bleached sulphite pulp market. The total stock outstanding amounts to 398,481 shares.

SUGAR REFINERIES WEATHER TROUBLES

Increase in Imports of Sugar While Production Declined

From Our Own Correspondent

MONTREAL. — Statistics covering activities of the Canadian sugar refineries during 1928 indicate that the industry has passed through a hard year. While there have been many factors in the sugar situation adverse to the companies, yet it is understood that earnings have not been seriously curtailed—at least profits are no lower than have been anticipated during the past year.

During 1928, production declined about two or three per cent. and imports increased substantially. The total imports represent but a small proportion of the total Canadian production—nevertheless, they set the price in Canada for the refined product. As will be seen by comparison of the accompanying figures, the Cuba and San Domingo refineries were largely responsible for the increased imports into Canada. In addition to these features of the situation, exports declined materially. All in all, it can be said there must have been a very satisfactory increase in consumption to permit the Canadian refiners to maintain their output as comparatively close to last year's level. The following figures compare the results and the situation obtaining in the industry during the past two years:

	Pounds 1928	1927
Total manufactured	931,910,139	972,060,591
Total imports of refined	46,034,100	34,822,300
Total imports from Cuba	30,037,100	24,208,300
Total imports from San Domingo	6,219,100	....
Total refined exports	48,140,300	195,752,100

Maritime Provinces Trade Bureau Opens

The trade commissioner to Ontario of the Maritime Provinces, R. W. E. Burnaby, has officially opened his office in the Federal Building, in Toronto. Mr. Burnaby was formerly in the brokerage business as R. W. E. Burnaby and Co., and is a native of Nova Scotia. St. John Betts, formerly secretary to the Canadian Trade Commissioner to the United States, Frederick Hudd, is secretary of the new trade office.

The commissioner is at present conducting a "questionnaire survey" of the manufacturers and importers of the Maritimes with a view to obtaining suggestions and plans for the betterment of markets for the province by the sea in Ontario, and vice-versa. Last Monday, the official opening day of the offices, the commisioner was visited by a number of prominent Maritimers who called to express their felicitations.

DAVID ET FRERE EARNS BIG PROFIT IN INITIAL YEAR

Earns at Rate of Over $3 on B Stock — Sales Increasing

From Our Own Correspondent

MONTREAL.—The first annual report of David et Frere presents a pleasing picture of the company, although it is operating in an industry which is passing through thin times. Most of the other biscuit manufacturers are operating on a narrow margin of profit, and in some instances making no real profits, yet David et Frere during the fiscal period which ended December 31 has been able to show profits at a handsome level.

The annual report covers the initial period of operations since the company changed hands and the shares were offered publicly. Since June 10, 1928, net profits after all charges, including depreciation, were equivalent to more than thrice the dividend requirements on the A shares.

On an annual basis, the earnings applicable to the A and B shares work out at $3 on the A, and $3.50 on the B. The showing is the more satisfactory as the sales in January made a gain of 22 per cent. over January of last year.

The figures in the report fully bear out the optimistic forecasts made some time ago by The Financial Post. Total sales for the six and a half month period were $815,712 as against only $503,473 for the corresponding period of the previous year.

The balance sheet shows that David et Frere occupies a strong working capital position. The company holds $42,800 in cash or in government bonds. The liabilities consist only of an insignificant amount in current liabilities, the A and B shares outstanding, and the surplus. The total assets of $865,063 compare more than favorably capital figures which are included with the company's net working capital figures which are included in the following figures showing the income account for the period:

Gross, after depreciation	$143,900
Operating expenses	65,585
Net income	$ 78,315
Other income	1,057
Total income	$ 79,372
Dividends "A" shares	25,760
Expenses	250
P. & L. Palance	$ 53,362
Working Capital Position	
Current assets	$215,111
Current liabilities	6,702
Working capital	$208,409

In his remarks to the shareholders, J. H. Bouvier, the president, said:

"Your plants and machinery have been well maintained and are operating efficiently. A reasonable amount has been set aside for their depreciation.

"Your directors are fully satisfied with the results of the period's operations and feel that the future outlook is very bright."

New Creosote Plant

Upon construction of a creosote plant at Port Moody by the Alberta Wood Preserving Co., Ltd., more than 200 men will obtain employment. Preparatory work will begin in February and construction will be completed by September.

H. SIMON AND SONS HAS MADE PROGRESS

From Our Own Correspondent

MONTREAL.—While the report of H. Simon and Sons for the fiscal period ending December 31, 1928, covers only a nine months period, yet profits were virtually up to the level of the full 1927 year. In its income account the company shows a deduction for preferred stock sinking fund. Such deductions from the income account are obviously applicable to the common stock, as the common stockholders' position is improved by the reduction of the amount of preferred outstanding. After all charges against earnings save the preferred stock sinking fund, the company earned over $3 a share, and, on an annual basis, over $4 per share on the common outstanding.

Although earnings during the year were eminently satisfactory, yet the feature of the report is the strength shown in the balance sheet position of the company. The ratio existing between current assets and current liabilities is much better than ten to one, and the company's net working capital is sufficient to redeem its entire $850,000 preferred stock issue and leave the company with a substantial balance. In its depreciation alone, the management has been liberal, and has written off about one eighth of the total at which it carries its plant and equipment. The following figures show the company's income account for the fiscal period and the working capital figures at the close of this year:

Total net profits for nine months, after providing for income tax and before providing for depreciation on plant and equipment, $196,266.23. Deduct:

Depreciation on plant and equip.	$10,201.61
Reserve for future bad debts	5,000.00
Dividends on pref. stock paid to December 1, 1928	43,850.00
Reserve for proportion accrued to December 31, 1928	5,053.43
Preferred stock sinking fund ..	13,216.12
Balance transferred to surp. acct.	$118,945.08
Working Capital	
Current assets	$1,066,285
Current liabilities	85,299
Working capital	$980,986

We have pleasure in announcing that
Mr. Rex F. Davison
formerly of Housser, Wood & Co. Limited
is now associated with this firm.
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Newsprint and Sulphite Pulp
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The Uses of Paperboard
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A new adaptation of paperboard and a valuable sales help. The display of the product urges the customer to buy.
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The Product of
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Red Deer brand Birch bears the above trade mark—a guarantee that it is 95 to 100% perfect. Every bundle of Red

The Dunham Differential Vacuum Heating System
Northway Building
Toronto
Ontario
Architects:
Horwood & White
Toronto
General Contractors:
Anglin-Norcross Ltd.,
Toronto
Heating Contractors:
Bennett & Wright Co.
Toronto

Ever since steam has been used to heat large buildings, *overheating* has been accepted as a costly but unavoidable evil. That day is past. The Dunham Differential Vacuum Heating System does away with *overheating*—and with the fuel waste and discomfort it causes. That's why this system has been installed in the Northway Building, shown here, and in scores of other new Canadian buildings of the first class.
During mild weather as well as cold, the Dunham Differential Vacuum Heating System keeps buildings at just the desired degree of warmth. In the fall and spring and during thaws there is not too much heat. During the "cold snaps" there is plenty. Fuel bills are cut at least 25%, because there is no heat waste.
If you are interested in the financing, ownership or management of commercial, institutional, industrial or kindred buildings, it will pay you to investigate the Dunham Differential Vacuum Heating System when heating specifications or alterations are considered. Consult your architect or contractor or write us direct. Our engineers will gladly cooperate with you through the professions and trades.
Water boils at a lower temperature on a mountain top than at sea level because of the lesser atmospheric pressure. The Dunham Differential Vacuum Heating System is the scientific adaptation of this principle. Steam is circulated under a partial vacuum throughout the whole system. The degree of vacuum determines how "hot" or "cool" the steam will be. On mild days "cool" steam is circulated. In cold weather "hot" steam fills the radiators. The amount of heat is adapted to the condition of the weather. Thus there is no heat wasted.
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Murray Bay, Que. — Sault Ste. Marie, Ont.
Beaupre, Que. — Iroquois Falls, Ont.
Sturgeon Falls, Ont. — Smooth Rock Falls, Ont.
Espanola, Ont. — Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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Newsprint Paper
Kraft Pulp
Unbleached Sulphite Pulp
BATHURST POWER & PAPER COMPANY LIMITED

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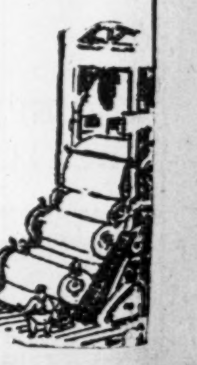
Total Daily Capacity of Plants: 1250 Tons of Newsprint.
Also producing Cardboard, Wrapper and Sulphite, Kraft and Groundwood Pulps.
Successor and Operating Company of:
Belgo-Canadian Paper Co. Limited
Laurentide Company Limited
St. Maurice Paper Company Limited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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Newfoundland Light

Are Newfoundland Light and Power bonds a good investment?

Yes, Newfoundland Light and Power bonds are a good public utility issue,

McColl-Frontenac

I have just bought some McColl-Frontenac Oil Company's common shares. Are these attractive?

McColl-Frontenac common is a speculation, but it has many attractions if held over a two year period.

Cape Breton Electric

In a well diversified list of bonds I am thinking of including some of the Cape Breton Electric. Would this be a wise commitment?

Yes, Cape Breton Electric bonds which are due in 1932 should bring you a handsome appreciation at that time.

Canadian Hydro-Electric

Shall I hold my Canadian Hydro Electric Corporation preferred which I bought some time ago?

The Canadian Hydro Electric Corporation preferred is a good stock in its class. A few years hence, we feel that it will be in the out and out investment class. In the meantime it is a hold.

Howard Smith

I have some Howard Smith preferred with which I obtained a bonus of common. I have a widely diversified list and feel that the stock is a hold. Do you agree with these sentiments?

Howard Smith preferred is a fair industrial preferred. It fits in very well in a diversified list and you have done very well with your bonus on common.

Canadian Vickers

Is there any chance of appreciation in my holdings of Canadian Vickers preferred and common during the coming year?

We feel that the current year will witness some improvement marketwise in the position of your Vickers preferred and common. The company is doing well and likely will continue to do so.

C. W. N. G. L. H. & P. Co.

How do the preferred shares of the Canadian Western Natural Gas, Light, Heat and Power Company rank as an investment? I know they are not as good as bonds, but are they a good hold?

Canadian Western Natural Gas, Light, Heat and Power Company preferred is a good stock which in our opinion is a hold in its class.

St. Lawrence Paper

The situation surrounding the newsprint mills seems most unsatisfactory, and I am a little worried about the preferred dividend on my St. Lawrence Paper stock. Do you think it will be paid?

While the situation is speculative, yet we feel that the St. Lawrence Paper Mills will be able to earn its preferred dividend.

Industrial Alcohol

Should I continue to hang on to Canadian Industrial Alcohol shares?

We regard Canadian Industrial Alcohol as a hold. The stock represents shares in a company which is a leader in its line. There is a speculative feature surrounding the shares—namely the possibility of the flow of liquor from Canada to the States being curtailed. However, all in all, Canadian Industrial Alcohol looks like a hold to us.

Catelli Macaroni

Some of the shares of the Catelli Macaroni Products Corporation came into my hands recently, and I am wondering what the outlook for the undertaking is. Would you be good enough to tell me?

In its class, the Catelli Macaroni Products Corporation stock looks attractive to us. We believe that the company stands every chance of making satisfactory progress in the future.

Foreign Power Securities

I am thinking of buying stock in Foreign Power Securities, and I would appreciate your views on the common shares of this company.

Foreign Power Securities may be regarded as a speculative stock for a business man. It is perhaps a long pull, though. The outlook for the future of the company seems to be satisfactory as the subsidiaries in France are increasing their earnings substantially.

Canadian Car

I bought Canadian Car at 125. Should I sell now?

You took a gamble on your Canada Car and Foundry common at 125. You have been successful. We are inclined to feel that you might sell some of this stock and speculate with the remainder. It is to be admitted, though, that the stock may yet sell at a much higher level. In fact, general opinion feels that you will obtain even better prices for your holdings.

Shawinigan

I need some ready money and my broker suggests that I sell some industrials on which I have made some money. I am inclined to sell my Shawinigan. What do you think I had better do? The broker says I should hang on to the Shawinigan at all costs.

Hang on to your Shawinigan stock. Over a term of years it gives every indication of appreciating substantially. The stock is in the giltedged investment class. It is excellent as a long hold.

General Steel Wares

Outline for me, please, your views on the common shares of General Steel Wares. I am thinking of buying some of the stock.

We regard General Steel Wares common as an excellent speculative stock for a business man—provided it is included in a list of similar securities. During the coming year we anticipate a satsfactory appreciation in the shares. The company is doing well and is likely to do better. It occupies a strong financial position.

New Brunswick Power

I have a well diversified list which includes quite a number of high yield preferred stocks. I hold New Brunswick Power preferred, but I have been advised to sell it and reinvest in another stock. How do you regard this New Brunswick Power preferred issue?

New Brunswick Power seems to be doing better during recent years and we are inclined to feel that the outlook for the future of the company is fair and that the preferred might well be retained, particularly as you have such a well diversified list.

Power Corporation

My broker urges me to buy Power Corporation common. Do you think I will be wise to do so?

We feel that if you purchase Power Corporation common at its present level and put it away for two or three years in a diversified list you will be well pleased with your investment.

As a long hold the stock we believe is very attractive. It undoubtedly will have its immediate market ups and downs but these do not affect the long pull view of the future, which is excellent.

Cockshutt Plow

I bought Cockshutt Plow stock at 35. How do you feel about the possibility of present appreciation?

We see from your letter that you apparently bought your Cockshutt Plow at the time The Financial Post mentioned the merits of the stock only a few weeks ago. You already have a handsome appreciation on this and stand a chance of perhaps obtaining some more appreciation during the year. You might watch Massey-Harris shares closely. If Massey-Harris appreciates, we feel that Cockshutt Plow is likely to do so also—and vice versa.

Dominion Bridge

What is the immediate outlook for Dominion Bridge? I am thinking of purchasing this stock, but not as a long hold—merely as a very mild speculation, as I can afford to take any loss which might occur in connection with my purchase. What are your views on the stock as a comparatively short hold—for perhaps a year?

The immediate outlook for Dominion Bridge is excellent. We feel that perhaps, some more appreciation can be anticipated. However, you should watch the situation closely for there is no doubt that the bridge companies will all again experience thin times. While the stock is speculative yet we regard it as a hold for some time yet.

Asbestos Corporation

I have a substantial loss on my Asbestos Corporation common, which my broker put me into some time ago. What should I do, and what is the outlook for the company?

We are not particularly impressed with Asbestos common. The company faces many difficulties and it will take a long while to work itself out of its troubles. Even though you have a loss on the stock it might be worth while selling out and reinvesting in some other securities which give more indications of appreciating sooner. On the whole, though, we are inclined to feel that the next year may witness some improvement in the situation surrounding the company coupled with a little betterment of the stock marketwise.

Lake of the Woods

I have a diversified list of stocks and I am thinking of including Lake of the Woods common. It looks like a good long hold to me; I rather fancy the stock and feel that it will do well.

Lake of the Woods common looks a satisfactory purchase. While the company has experienced thinner times in recent years, yet the outlook at the moment seems to be improving and the company operates under an able management. It has always kept itself in a good liquid position despite the thinner times which have prevailed. The outlook for the millers at the moment seems to be improving and therefore, we feel that you might well include this stock in your list with the expectation that after a term you will obtain a satisfactory appreciation.

International Utilities

I hold some International Utilities shares but am at a loss whether to hang on to the stock or not. I have found you helpful in the past and I would appreciate hearing from you as to how the stock may be regarded.

You do not say which class of stock you are holding of International Utilities. The preferred and "A" shares are a very satisfactory business man's investment. The "B" shares are nothing but a long hold speculation. As a hold for two or three years they are undoubtedly very attractive. The company is expanding and some day may place a real equity behind the "B" stock. It also owns some oil lands which give the shares an added speculative lure. Over a two year hold, International Utilities looks interesting to us.

Winnipeg Electric

Winnipeg Electric stock has gone down and I am worried about my holdings. What should I do about it?

In view of the Royal Commission which has been appointed in Winnipeg to acquire into the activities of the company in its application before the Government to obtain the Seven Sisters Falls power site, we are of the opinion that you will probably have to hang on to your Winnipeg Electric common for some time in order to obtain an appreciation equal to the price which you paid for the shares.

If you are willing to hold the stock, we feel that over two or three years you will do well on it. In the meantime, due to the appointment of the Royal Commission, there may be some further nervousness.

St. Maurice Valley

Should I hold my preferred shares of the St. Maurice Valley Corporation? The situation in the newsprint industry doesn't look any too promising.

Whether you should hold the St. Maurice Valley preferred stock seems to depend entirely on the remainder of your investment holdings. We are of the opinion that St. Maurice Valley preferred is an issue which should only be included in a diversified list of securities. The issue should be used only to increase the average yield of a list of investments.

While there is a bad situation in the newsprint market, yet over a year or two we expect to see a decided improvement and in the meantime we feel there is no danger of the dividends on the shares being passed.

International Nickel

I hear that International Nickel is now valued at a billion dollars. Is this correct? Is the mine worth it? Are the shares worth their present price? Are they an attractive buy? Will the stock fluctuate much?

At $70 a share, International Nickel is in the billion dollar class. Yes, the mine seems to be worth it. The shares at their present level, though, can only be regarded as a long pull speculation for a business man. In this class they are undoubtedly very attractive. They should, though, be included in a diversified list.

Undoubtedly, International Nickel shares will be subject to wide fluctuations. This has been the record of the stock and, like other mining stocks, it will continue to fluctuate probably within a wide range.

Canada Paper

Please tell me the investment standing of the bonds of the Canada Paper Company and also the market price.

Your Canada Paper bonds appear to be a satisfactory industrial investment. Banking after the $1,900,000 in bonds outstanding the company has $1,250,000 in preferred stock. The present quotation on the preferred shares is 97 to 100. The Canada Paper Company is now a subsidiary of the Howard Smith Paper Mills. The common stock in the undertaking was sold by the Canada Power and Paper Corporation to Howard Smith. The company is solely a fine paper producer and the association with the parent company should work out well.

The present bid and asked price for the Canada Paper bonds is 97 to 100.

Charles Gurd

I insist on buying only into companies with substantial assets and occupying a fairly fundamental position. I have been urged to buy the shares of Charles Gurd. Do you think this company occupies a sufficiently fundamental position in industry generally for those who only like companies of that nature?

Charles Gurd common is but a small company and while it is doing well and likely to do well we feel there are other investments more suitable for a man such as yourself.

Dominion Coal

Do you think I should invest in the preferred of the Dominion Coal Company? I hear it is a good stock.

The Dominion Coal did very well in 1927—but in 1928 earnings were very poor. There is a funded debt of the Dominion Coal of only some $8,000,000 ranking senior to the $3,000,000 on preferred. The preferred is $35 in arrears and is callable only at $125. It changes hands about $90 a share.

This stock looks attractive to us because in our estimation the Dominion Coal Company is a fundamental link in the whole Besco chain of industries. It is the basis upon which is founded all the other industries.

If you have a diversified list and can afford to speculate this stock looks like a fair investment of a speculative kind.

Attendu Engines

I have been urged to buy Attendu Engines. I am told that the stock is going to appreciate rapidly. What do you think of it as an investment?

Attendu Engines in our estimation is a most unattractive speculation. The stock in the past has been subject to wild fluctuations on the market and the ultimate chances of success for the company seem to be slim. The company owns a patent on a newly developed internal combustion engine.

The engine was tested for the U. S. Navy dirigibles—but apparently failed to come through and engines other than Attendu were chosen for this purpose. The company might be successful over a term of years—but we regard its chances unfavorably. We think that you would be unwise to speculate in this stock which can only be regarded as a gamble.

Imperial Tobacco

I am thinking of buying Imperial Tobacco. But I only want investment, or virtually investment, stocks. Would this be a wise commitment for me?

We believe that there is an excellent chance of the excise duty on cigarettes being reduced at the forthcoming session. If this transpires, it should have a bullish effect on the shares of the Imperial Tobacco Company. We anticipate no immediate appreciation in the shares. But the stock can be regarded as a long pull investment. Over a term, you are likely to obtain valuable rights from the stock coupled with the possibility of appreciation. Even a one or two point appreciation in the shares gives you a very handsome percentage of increase.

The company is the dominant producer in cigarettes and tobacco in Canada and occupies a remarkably strong financial position. We regard the stock as a very attractive long hold purchase which can be regarded virtually as an investment.

Bruck Silk Mills

I am considering buying Bruck Silk Mills shares, to be included in a diversified list. Will you please favor me with all the pros and cons surrounding the stock? I want the bad points as well as the good.

The Bruck Silk Mills is doing well and all factors indicate that the company should continue to make progress. Nevertheless it is but a small organization and as such will obviously have the more difficulty in meeting and surmounting the business difficulties which the future undoubtedly must hold.

In the past, the management has demonstrated its ability by meeting merchandising and production difficulties and we believe should be able to do so again in future.

Hence, we are inclined to feel that the common shares of the company are a suitable investment for a business man—provided the shares are included in a well-diversified list of similar securities. We anticipate no particular immediate appreciation in the stock.

Besco Shares

Let me know, please, how you regard British Empire Steel Corporation shares?

You do not say whether you are interested in British Empire first preferred, second preferred or common.

Our feeling is that British Empire Steel first preferred is a good speculation for a two year hold for a business man who has a diversified list. The stock is of course, speculative, but in its class it has attractions.

It is only outstanding to the extent of $8,000,000 and has dividend arrears on it.

The second preferred is outstanding to the extent of $50,000,000 and the common $21,000,000.

The common and second preferred may do well marketwise over the next two years. But the situation surrounding these junior securities is so speculative that we are not inclined to make recommendations one way or another on these securities. Moreover, on the two junior stock issues there are so many shares outstanding that the holders will have their security very materially scaled down in the forthcoming reorganization.

Power Stocks

Please submit to me a list of five or six power companies in the order of their investment merit. I want long hold common stocks in the utility class.

Here is a list of power stocks in what we believe is their order of merit:

Shawinigan
Montreal Power
Quebec Power
Power Corporation
B. C. Power "A"
Southern Canada Power

They will have their market fluctuations, but over a term of years we are virtually confident that they will yield a holder a satisfactory market appreciation. Some investors might feel inclined to place Montreal Power above Shawinigan in such a list. Montreal Power has a wonderful record, but we are inclined to feel that Shawinigan may have perhaps in the years to come a slightly better chance of appreciating. It serves the whole province and in addition there are one or two speculative features, such as the development of the company's chemical subsidiary, which might add greatly to the value of the shares in the years to come. However, it is really a toss up between these two leading companies.

United Amusement

I bought some United Amusement Corporation common at $12.50 a share. What is the present price for the stock? What is the outlook for the company? Should I hang on to the shares?

You have done very well on your common stock holdings of the United Amusement Corporation. There is a bid price of $30 a share now for the stock. The company is to construct four or five new theatres this year and three of these are already under construction.

For the fiscal year ending August 31 last the company earned over $4 a share on each of its 60,000 common shares outstanding. The company occupies a strong liquid position and the outlook for its future is excellent. The company is associated also with the Famous Players Corporation, which is really the movie trust in Canada.

In its class, the shares appear to be very attractive for a business man. The stock cannot be classed as an investment—nevertheless, it has many attractions. We would advise you to hold the shares provided they do not constitute too large a proportion of your total funds. Shares of this character should, of course, only be included in a well diversified list of similar holdings. The stock is undoubtedly attractive as a hold.

When Women Invest

International Nickel Is Not South Sea Bubble and May be Retained in Diversified List; One Life Insurance Stock Probably Not Suitable for Widow; Another's Funds May go Principally into Stocks if Management Problem Not too Serious.

A WEEKLY FEATURE

I have read an article which likens the International Nickel rise to the South Sea Bubble. Would you advise me to take what profit I can or to hold my stock?

We believe that a person who is not in immediate need of income from investments reasonably may continue to hold International Nickel in the expectation that the earnings of the company ultimately will justify the present market price. Since your letter there has been a substantial further advance. We do not know just how far this is discounting the future of the company, but we do not believe that the situation justifiably can be compared to the South Sea Bubble. The stock is in strong hands, and there are thousands of important shareholders who are not contemplating selling.

We do not think that International Nickel should be the sole investment of any person. We always have urged fairly broad diversification in order to spread the risk.

Stocks for Widow

My mother, who is a widow, has from $15,000 to $20,000 to invest.

Her income is derived from the following sources:

Real estate, $7,000 net.
Saskatchewan govt. bonds, $1,125.
Great West Life bond, $1,604.
Local creamery B, $520.

In addition to this are 25 shares of The Second General Investment Trust. Altogether this represents an investment of about $120,000.

I have selected the following, largely from your recommendations in the past few issues of your valued paper, as a suitable list of stocks for her purpose. Any comments you can make will be highly appreciated.

Stock	Approx. cost at to-day's market
20 Inter. Petroleum	$950
20 Int. Nickel	1,080
10 City Dairy	845
10 Brazilian	373
5 Cons. M. & S.	1,825
50 Imp. Tobacco	535
10 Power Corp.	890
10 Shawinigan	862
10 Bell Telephone	1,660
5 Can. Pacific	1,166
5 Ogilvy Flour	2,450
10 Steel of Canada (new)	555
10 Gen. Steel Wares	350
5 Mont. Trams.	975
5 Mont. Cottons	650
10 B. C. Power "A"	562
10 Dom. Bridge	910
	$16,640

We see nothing wrong with your proposed investment of your mother's funds provided that she does not require a high yield from her investments. The stocks you have selected are sound common stocks which over a term of years should show substantial appreciation in market value.

If you wish a more conservative programme probably ten per cent. of these funds could be invested in Dominion government bonds or Canadian National Railway bonds guaranteed by the Dominion government. We have considerable faith in the future of International Petroleum, but it might be more conservative if you were to substitute Imperial Oil for this purpose. Ultimately Imperial Oil will benefit from any progress which International Petroleum may make.

Seemingly Not Conservative

I would appreciate it if you would advise me whether you consider the stock of the Ontario Equitable Life Insurance Co. a safe investment for a widow?

We would hardly consider the stock of the Ontario Equitable Life Insurance Company a suitable investment for a widow at the present price. It is at present selling about 51 and at this level probably is discounting the future possibilities to a considerable extent.

No Blanket Endorsations; Warning to Our Readers

The Financial Post understands that the Investors' Syndicate, of Minneapolis, selling shares from an office in Toronto, has supplied salesmen with a photostatic copy of letter, purporting to have been signed by a member of the staff of The Financial Post and endorsing their securities. The letter is not genuine. The person, whose name is signed to it, has never been a member of the staff of The Financial Post. Moreover, no member of The Post staff is ever authorized to make a specific or blanket endorsation of any security other than the opinions expressed in these columns in answer to direct enquiries from our readers.

The sales manager for the stock proposition above referred to has expressed regret for the use of this unauthorized letter and states that it was used in good faith, as he believed the person signing the letter to be a member of our staff, with authority to sign the letter in question.

Assisting Investors

The February issue of our monthly investment list is now ready for mailing. In it our recommendations for sound investment will be found and the requirements of the individual may be satisfied.

Detailed information will be found on each recommendation. This list will be sent on request.

Greenshields & Co
Members Montreal Stock Exchange
Montreal: 17 St. John Street
also Mount Royal Hotel Building
OTTAWA 56 Sparks Street — TORONTO 24 King Street West — QUEBEC 126 St. Peter Street

JOHNSTON AND WARD
Stock Brokers & Bond Dealers
MEMBERS
Montreal Stock Exchange — Montreal Curb Market
Toronto Stock Exchange — Winnipeg Grain Exchange
Chicago Board of Trade
PARTNERS
S. JOHNSTON, R. H. METZLER, C. H. LEWIS, D. MACLEOD, all of Montreal; G. E. LESLIE, Halifax.
HEAD OFFICE: Royal Bank Building, Montreal
BRANCHES AND MANAGERS
KINGSTON, W. W. Anglin. — MONCTON, H. M. Stevens.
TORONTO, S. Allan Thomas. — ST. JOHN'S, Nfld., James Organ.
LONDON, F. D. Bale. — SAINT JOHN, N.B.,
STRATFORD, G. C. Hacking. — D. W. Armstrong
KITCHENER, W. J. Fawcett. — HALIFAX, Guy E. Leslie.
SHERBROOKE, M. W. McA'Nulty. — SYDNEY, N.S., E. H. Morris.
We maintain direct private wires between all our Canadian branches, to New York and Boston, and to correspondents in principal cities in Western Canada. We execute orders on all exchanges. Special department for industrial and corporation financing.

Royal Financial Corporation
LIMITED
INVESTMENT BANKERS
A purely Western Canadian organization confining its activities solely to the buying and selling of investment securities.
VANCOUVER, B.C.
Victoria, B.C. — Edmonton, Alta.
Calgary, Alta.

Investment Securities
Newman, Sweezey & Co.
LIMITED
210 St. James Street West — Montreal

AN ATTRACTIVE INVESTMENT
THE ONTARIO WINE CO. LIMITED
NEW TORONTO - ONTARIO
A limited number of preferred shares available with a liberal common stock bonus.
Write or Phone directly to the Company.
Lakeside 5454

Five Attractive Municipal Securities

Below are offered obligations of three Canadian municipalities, combining security of principal with substantial annual returns:

Security	Rate %	Maturity	Price	Yield %
City of Vancouver	5	1958	102.36	4.85*
City of Vancouver	5	1943	101.05	4.90*
City of Vancouver	5	1938	100.00	5.00*
County of Middlesex	5	1929–34	100.00	5.00†
Township of Scarborough	5	1929–58	100.00	5.00†

*Denomination: $1,000. †Denominations: $1,000, $500 and odd amounts.

Prices: As above.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

Petroleum Corporation of America
An Investment Trust

This Corporation has been organized for the purpose of acquiring capital stocks and other securities of representative oil companies, both foreign and domestic. The Corporation is empowered to acquire interests in all branches of the oil industry and affiliated lines, including pipe lines, natural gas properties, oil well supplies, etc. The Corporation's affairs will be administered by its executives under the control of a very strong Board of Directors. We recommend the purchase of this stock as a speculative investment.

PRICE: $34 per share
Payable $20 on delivery, the balance on call, but not before April 1st, 1929.

Telephone or write for full particulars

BELL, GOUINLOCK & CO.
67 YONGE ST. — ELGIN 2236
TORONTO

CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING FEBRUARY 5

	Par Value	Div. Rate	Yield Feb. 4	High for wk.	Low for wk.	Close Feb. 5	Close Jan. 29	Sales for wk.	Range 1929 High	Range 1929 Low
Banks—										
Commerce	100	12+1	3.76	350	330	345	338	421	350	330
Dominion	100	12+1	4.85	268	265	266	268	106	280	265
Can. Nationale	100	10	5.45	183½	182	182	184	50	189	182
Imperial	100	12+1	4.72	275	270	266	270	101	276¼	268
Montreal	100	12+2	3.35	417	409	409	412½	486	425	395
Nova Scotia	100	16	3.95	405	400	403	402	192	405	396
Royal	100	12+2	3.64	410	382	382	383	853	410	382
Toronto	100	12+1	4.69	278	275	277¼	278	64	282	272
Paper—										
Abitibi	n.p.	.	...	53¼	47½	51	50	7068	55	40
Do. pref.	100	7	6.08	115	115	115	115	5	115	102
Do. pref.	100	6	6.97	86½	85	86½	85	150	88	85
Belgo Can., pref.	100	7	6.73	106	102¾	105	103	67	106	101
Brompton	n.p.	32	4.93	40¾	38	39¾	39	6878	40¾	34
Can. Pr. & Paper	n.p.	.	...	33	30	30	31¾	8021	34¾	28¼
Donnacona	n.p.	.	...	23	21	21	23	370	27	21
Fraser, com.	n.p.	$1	1.20	83	80½	81	82½	3756	88½	80½
Do. Rights	..	.	...	2.00	1.50	1.75	2.00	6549	2.50	1.50
Hinde & Dauch	n.p.	$1	4.25	24	23½	24	24	490	25	23
Int. Paper & Pr. c.	n.p.	$2.40	7.05	34¼	34	34	29½	115	34¼	29
Do. (B)	n.p.	.	...	21¾	20½	20¾	16⅞	75	21¾	16
Do. (C)	n.p.	.	...	16	15	15¾	11½	70	16	11½
Do. pref.	100	7	6.14	114	114	114	...	10	114	114
Inter. Paper, c.	n.p.	$2.40	3.31	73⅜	65¼	72	65½	97700	73⅜	57½
Pt. Alfred, com.	n.p.	.	...	68½	66	66	66	806	72½	60
Do. pref.	100	7	7.14	98	98	98	98	110	100	97¾
Price Bros., com.	100	2	2.50	84	78½	83	76	491	84	71
Do. pref.	100	6½	6.20	104¾	104	104¾	104	145	105	101
Smith, Howard, c.	n.p.	.	...	30	28¼	28¼	29	1401	30	28
Do. pref.	100	6	6.52	92	91½	91½	91½	45	93	91
St. Maur. V., pref.	100	7	7.36	96½	95	96½	96	61	98½	95
Wayagamack	n.p.	$3	3.97	79	70	70	72	1379	79	68
Steel and Steel Industries—										
B.E. Steel, com.	100	.	...	6	5	5½	5½	935	6½	3
Do. 1st pref.	100	.	...	41	40	41	39½	180	42	29½
Do. 2nd pref.	100	.	...	12¼	10	10¼	12	11971	14	6
Can. Bronze, c.	n.p.	$2	2.27	88	84	86	86	1865	94	68⅞
Do. pref.	100	7	6.36	110¼	110	110	110	40	110⅝	110
Can. Car & Fdy., c.	100	.	...	175	150	170	156	5677	175	95½
Do. pref.	100	7	3.67	190½	161½	188	172	6373	190½	106½
Can. Fairbanks, pf.	100	6	6.12	98	98	98	100	15	98	98
Can. Forgings, c., A	n.p.	37½c	...	26	25½	25½	25	3433	26	20
Do. (BA	n.p.	.	...	25	25	25	22	10	25	20
Can. G. Elec., com.	50	.	...	235	170	235	160	140	235	135
Do. pref.	50	7	5.90	60½	58	59	58	268	61	57
Can. Iron, com.	100	.	...	..	...	...	...	...	29	29
Do. pref.	100	4	...	..	...	...	...	...	80	78¼
Can. Locomotive, c.	100	.	...	60	50	60	56	57	60	40
Do. pref.	100	7	7.95	88	85	88	90	210	92	84
Cockshutt	n.p.	$1.50	2.83	53	47	51	48½	40339	53	37
Dominion Bridge	n.p.	$2.80	2.56	110½	101	106	101¼	37032	110½	91½
Do. Rights	..	.	...	5.60	4.80	5.60	4.90	15393	5.60	3.90
Dominion Coal	100	.	...	..	...	...	...	...	90	85
Dominion Iron, pref.	100	.	...	11	11	11	11	80	11½	11
Dom. St. Corp., pref.	100	.	...	43	42	42	42	245	45	39¼
East Steel Pr.	n.p.	.	...	48	47	47	48	105	53	36
Do. pref.	100	7	6.98	..	...	...	...	...	100¼	99½
Gen. St. Wares, c.	n.p.	.	...	42	37	41	37	11455	42	36
Gotfredson, com.	n.p.	.	...	6	6	6	6	50	8	6
Ford Motor	100	15	...	649	630	631	650	1200	695	630
Hamil. Bridge	n.p.	.	...	79	59	76	60	31328	79	37¾
Do. pref.	100	6½	6.87	95	92	94	92	427	95	89
Hayes Wheel, com.	n.p.	.	...	55	50½	52	54	2430	56	47¾
Do. pref.	100	7	6.79	104	101	103	103	20	104	101
Kelvinator, com.	n.p.	.	...	11	9	11	9	550	12	8
Do. pref.	100	7	8.43	83	81	83	84	45	85	80
Lake Sup. Corp.	100	.	...	35½	31¾	34½	34½	9705	40	16
Massey-Harris, com.	n.p.	.	...	96½	92	93	95½	21282	99½	90½
Do. pref.	100	7	6.36	110½	108¼	110	110	84	115	108¼
McKin. Ind., com.	n.p.	$2	312	64	62	63	64	2375	76½	62
Do. pref.	100	7	6.48	108	108	108	102½	10	108	100
Nat. Steel Car, com.	n.p.	.	...	141	134	135	134	4977	142½	88
N.S. Steel, pref.	100	.	...	..	...	...	...	...	x30	25
Ont. Steel, com.	n.p.	$1.60	5.33	30	30	30	31	156	31	30
Do. pref.	100	7	6.66	..	...	...	...	...	105	105
Page Hersey, com.	n.p.	$4	3.05	131	127	120	129	4611	135	125
Do. pref.	100	7	2.68	..	...	...	...	...	261	261
Pressed Metals, com.	n.p.	$1	4.00	25	23	25	23	780	25	19
Do. pref.	100	7	7.00	..	...	...	...	...	100	100
Russell Motor, com.	100	4+1	5.88	85	85	85	85	5	85	82
Do. pref.	100	7	6.36	110	108	110	106½	85	110	100
Steel of Canada, c.	n.p.	$2+18¾	3.38	64½	61	63	62	8218	66¼	55⅞
Do. pref.	25	$2+18¾	3.82	58	56⅜	57	57¼	1364	65¼	51½
Milling, Foodstuffs and Merchandising—										
Assoc. Qual. Can.	n.p.	$1.50	4.68	..	...	...	...	...	32½	24½
Alta. Pa. Gr., com.	n.p.	.	...	65	62½	64	65	3865	67½	53¾
Do. pref.	100	7	6.96	100½	99	99	100½	263	100½	99
Atlan. Sugar, com.	n.p.	.	...	16	15	16	15	325	20	13
Do. pref.	100	.	...	70	70	70	70½	5	70½	69
B.C. Fish, pref.	100	.	...	86	84	84	84	600	86	83
B.C. Packers	n.p.	.	...	30	27	27¼	27½	3497	32½	26¾
Can. Bak., com.	n.p.	.	...	37½	35	37½	37	55	37½	35
Do. pref.	100	7	6.93	..	...	...	...	...	101½	101
Can. Bread, com.	n.p.	$6	3.72	163	156	161	160	54	163	133
Do. pref. (A)	100	7	6.03	116	116	116	114	19	116	114
Do. pref. (B)	100	7	6.60	106	105	106	105	[illegible]	109	105
Can. Canners, com.	n.p.	.	...	25	24½	24½	25	445	25	21
Do. 1st pref.	100	6	6.66	91	89	89½	91	295	92	89
Do. 2nd pref.	n.p.	60c	2.22	27	25⅝	26	26½	3884	28	21¼
Christie Brown, com.	n.p.	$1.20	...	..	...	...	...	...	x131½	79½
City Dairy, com.	n.p.	$2	2.58	78	75	78	75½	1987	84	75
Do. pref.	100	7	5.00	..	...	...	...	...	140	140
Cons. Bakeries	n.p.	.	...	40	35	40	...	3695	43½	35
Cuban Can. Sug., c.	100	.	...	..	...	...	...	...	1½	1¼
Do. pref.	100	.	...	..	...	...	...	...	x30	14
Dominion Stores	n.p.	$3	1.80	166	164	165	165	839	166	160
Fanny Farmer	n.p.	$1	2.93	37	33¾	33¾	34½	765	37	30
Do. pref.	n.p.	$2.40	7.74	..	...	...	...	...	31	30
Ham. Dairies, com.	n.p.	.	...	43	40	43	44	85	46¼	40
Do. pref.	100	7	6.89	101½	101½	101½	101½	35	102	100
Hunts, Ltd., com.	n.p.	$1	2.08	49	46	48½	45	335	49	40¼
Do. pref.	100	7	6.30	111	111	111	102	40	111	102
Inter. Milling, pref.	100	7	6.42	110	109	109	108¼	30	110	108¼
L. of Woods, com.	n.p.	$3.20	5.24	65½	55½	63	56	6221	65½	54
Do. pref.	100	7	5.93	120	117	120	118	81	120	115
L. Secord, com.	n.p.	.	...	45	43½	43½	43½	15	46	41
Do. pref.	100	7	5.00	..	...	...	...	...	140	135
Loblaw, com.	n.p.	$2	1.85	108	99	105½	100	5468	108	97½
Do. pref.	100	7	5.38	132	130	130	130	38	132	130
Maple L. Mill., com.	100	.	...	155	155	155	155	100	160	145
Do. pref.	100	7	6.36	111	110	110	110	65	112	105
Muirheads, com.	n.p.	60c	6.31	9½	9½	9½	9	310	11	7¾
Do. pref.	10	75c	8.33	9	9	9	10	40	10	8
Nat. Grocers, pref.	100	8	7.92	101	100	101	100½	46	101	100
Ogilvie Flour, com.	n.p.	$5	...	700	560	649	550	161	700	495
Do. pref.	100	7	5.18	..	...	...	...	...	140	130
Pure Gold Mfg.	n.p.	$2	6.66	30	29½	29¾	29½	95	30	28
Shredded Wheat, c.	n.p.	$3	3.22	94½	93	94½	95	90	101	92½
Stanfords, com.	n.p.	$1	11.11	9	8½	9	11	120	9	8½
Do. pref.	100	7	8.43	..	...	...	...	...	83	83
St. Law. Flour, c.	100	.	...	33	32	32	32	290	33	31
Do. pref.	100	7	7.36	..	...	...	...	...	x96	94½
Traymore Caf., c.	n.p.	50c	6.89	7½	7	7¼	8	420	9	7
Do. pref.	20	7	7.88	17¾	17¾	17¾	17¾	375	17¾	17½
Viau Bisc., com.	n.p.	.	...	18	16	17	18	140	22	16
Do. pref.	100	7	8.04	87	87	87	87	25	88	87
W. Can. Fl., com.	n.p.	$1.40	3.68	39	36	36	36	193	41	35
Do. pref.	100	6½	6.19	105	104	105	105	21	105	104
W. Grocers, com.	n.p.	$1	2.85	37	35	37	36	53	37	30
Do. pref.	100	7	7.77	93	89	90	90	65	93	88
Weston, com.	n.p.	.	...	95	94	94	95	295	106¾	94
Do. pref.	100	7	6.86	102	101	101	102	60	110	101
Utilities—										
Bell Telephone	100	8	4.67	172	169	171	170	679	172	166
B.C. Power (A)	n.p.	2	3.36	59½	56	58	57¾	9141	60	54½
Do. (B)	n.p.	.	...	39	37½	38	38	367	40	37½
Calgary Power	100	5	2.94	..	...	...	...	...	170	170
Consumers Gas	100	10	5.12	195	193	193	193	72	195	191
East Koot. Pr.	n.p.	.	...	..	...	...	...	...	27	27
Do. pref.	100	7	7.00	100	100	100	100	28	100½	100
Int. Util. (A)	n.p.	$3.50	7.07	50	44	47	44½	5640	50	43
Do. (B)	n.p.	.	...	21½	17	20	20	12211	21½	15
Inter. Power, com.	n.p.	.	...	30	29	29½	29½	755	30	28
Do. pref.	100	7	7.17	97½	96	96	97	169	98	96
Jam. Pub. Ser., c.	n.p.	.	...	31½	31	31	31	135	31¾	31
Do. pref.	100	7	6.14	114	113½	113½	113½	94	114	109
Laurentide Power	100	5	...	..	...	...	...	...	133	109½
Mexican Light, com.	100	.	...	100	86	100	85	50	100	70
Do. pref.	100	7	...	..	...	...	...	...	112	x61½
Mont. L. H. P.	n.p.	$2.40	2.03	118	110	114¾	111	14879	118	106
Mont. Teleg.	40	8	5.80	55	53	55	52	99	55	52
Nor. Mex. Pr., com.	100	4	3.22	124	123	124	121¼	944	124	121
Do. pref.	100	7	7.36	95	95	95	97	25	97	95
Ot. & Hull P., com.	n.p.	.	...	..	...	...	...	...	x70	35
Ott. L. H. & Pr., c.	100	6	5.04	119	119	119	118½	9	120	118½
Do. pref.	100	6½	5.50	..	...	...	...	...	103	100
Postal Teleg., pref.	100	7	6.76	..	...	...	...	...	103½	102
Power Corp., com.	n.p.	$1	...	125½	102⅜	117½	102	51850	125½	97
Do. pref.	100	6	5.86	102¼	100½	102¼	102	265	103	100½
Quebec Power, com.	n.p.	$2	2.05	97½	92⅞	95	93	5606	97½	87
Shawinigan	n.p.	$2	2.12	94	88½	92½	89	17214	94	85
S. Can. Pr., c., new	n.p.	.	...	60	55½	58	55	735	60	55
Do. pref.	100	6	5.55	101⅛	106	108⅓	107	159	110	105
West Koot. Pr., pf.	100	7	...	..	...	...	...	...	x112	106¼
Transportation—										
Can. Pacific Rly.	100	10	3.77	265	250	260½	251½	268	265	240
Can. Steam., com.	n.p.	.	...	51½	38½	46	38	21016	51½	36½
Do. pref.	100	6	6.12	98	94	97½	93	5378	98	90
Do. Voting	..	.	...	..	...	...	...	...	87¾	36½
Tractions—										
Barcelona	50	$1	...	65	65	65	63	230	65	60
Brazilian, com.	n.p.	$2.00	2.59	78	74	75	77	62749	82	74
Do. Rights	...	.	...	5.00	4.50	5.00	5.00	44359	6.00	4.50
Detroit Un. Rly.	100	.	...	..	...	...	...	...	.25	.25
Duluth Superior	100	.	...	9½	9½	9½	7½	200	10½	7½
Montreal Trams.	100	10	5.26	192	190	190	192	126	193	185
Ottawa Traction	100	.	...	57	57	57	57	5	60	57
Porto Rico Rlys., c.	100	$4	...	..	...	...	...	...	x67	67
Do. pref.	100	7	7.36	..	...	...	...	...	97	95
Twin City, com.	100	.	...	51	45½	50	50	1029	57½	44
Do. pref.	100	7	...	..	...	...	...	...	x106	101
Winnipeg Elec., c.	n.p.	2	2.22	104	85	89	103	2283	109½	85
Do. pref.	100	7	6.54	107½	106	107½	105½	151	107½	104
Do. Rights	..	.	...	11.00	8.50	9.00	10.00	5073	11.00	8.50
Textiles—										
Bruck Silk Mills $.	n.p.	$1	2.81	36	34	34	35	2242	37	21½
Can. Converters	100	7	6.60	106	105	106	105	125	106	103
Can. Cotton, com.	100	8	7.27	..	...	...	...	...	110	110
Do., pref.	100	6	5.94	..	...	...	...	...	101½	101
Can. Woollens, pref.	100	.	...	..	...	...	...	...	80	80
Cosmos Imp., com.	n.p.	.	...	27	24	24½	26	1280	28⅞	22
Do. pref.	100	7	7.07	99	98½	99	100	33	101	95½
Dom. Tex., Rights	..	.	...	7.50	5.35	6.10	5.50	7107	7.50	5.00
Dom. Tex., com.	n.p.	$5	4.54	111	104	110	104	3265	118	103
Do. pref.	100	7	5.64	..	...	...	...	...	124	118¼
Ham. Cotton, pref.	30	$2	6.34	32	31½	31½	31	60	32	30
Monarch Knit, com.	100	.	...	..	...	...	...	...	20	20
Do. pref.	100	.	...	..	...	...	...	...	70	66
Montreal Cot., com.	100	6	4.83	..	...	...	...	...	125	124
Do. pref.	100	7	5.69	123	120	122	120	32	123	120
Penmans, com.	n.p.	4	3.84	108	103	103	108½	95	108½	97
Do. pref.	100	6	5.55	108	108	108	108	10	108	108
R. S. Mills	n.p.	$2	5.88	35	30	33	33	1785	36	30
Tooke Bros., c.	n.p.	.	...	20	...	...	...	148	20	10
Do. pref.	100	7	9.33	75	69	75	60	305	75	60
Wabasso Cotton	n.p.	.	...	50	50	50	50	10	58	50
Woods Mfg., com.	100	.	...	..	...	...	...	...	x38	30
Do. pref.	100	7	8.97	80	78	80	78	20	80	78
Zimmerknit, com.	n.p.	.	...	..	...	...	...	...	14	13
Do. pref.	100	7	8.64	81	81	81	82	60	85	80
General Industries—										
Am. Sales, com.	20	4	2.83	141	137	141	138	67	141	130
Do. pref.	100	7	5.14	136	136	136	140	29	141	136
Asbestos Co., com.	n.p.	.	...	21	19	20	21	1622	22½	16
Do. pref.	100	7	10.60	66½	65	65	67	405	68	57½
Brant Cd., pref.	25	8	8.42	23¾	23	23½	23½	220	24	23
Building Prod., com.	n.p.	$1.60	3.55	46	40	43	41	9461	[illegible]	38
Burt, F. N., com.	25	$3	3.75	83½	80	82	83½	946	[illegible]	80
Canada Cement, c.	n.p.	.	...	31	29	30	31	2485	33	29
Do. pref.	100	6½	6.63	99	98	98½	98	581	99¾	98
Can. Dredge, com.	n.p.	$3	3.46	86½	83	85½	84	8566	88½	63½
Do. pref.	100	7	3.11	..	...	...	...	..	225	190
Conduits, com.	n.p.	$2	8.88	22¾	22	22½	22¾	545	24	19
Do. pref.	100	7	6.76	103½	103½	103½	103½	11	103½	103½
Cons. Smelters	25	10+40	2.38	575	449	525	450	8275	575	374
Crow's Nest Coal	100	6	9.67	64	62	62	60	50	64	58
Dom. Glass, com.	100	7	3.50	200	190	200	188	970	200	152
Do. pref.	100	7	5.60	..	...	...	...	...	125	125
Dom. Rubber, pref.	100	7	...	..	...	...	...	...	x100	95
Easy Washer	n.p.	$2	5.79	34½	33	33½	33½	225	40	33
E. Theat., com.	25	$2	6.95	..	...	...	...	...	28¼	26
Do. pref.	100	7	7.21	..	...	...	...	...	97½	97
Enamel & Heat.	n.p.	$2	6.06	33	33	33	33	120	34	32
Fam. Players, com.	n.p.	.	...	45	43	44	43	1319	48	34
Gilman Fan, com.	100	6	3.07	..	...	...	...	...	210	195
Do. pref.	100	7	3.50	..	...	...	...	...	200	200
Goodyear Tire, com.	n.p.	$5+1	2.00	304⅞	239	295	240	1593	304⅞	232
Do. pref.	100	7	6.42	109¼	107	109	108	614	109½	106
Gyp. & Alabas., c.	n.p.	$3	3.17	94½	93	94	95	2231	98	74⅞
Ham. Un. Theat., c.	25	.	...	12½	12	12	12	60	14	12
Do. pref.	100	7	8.23	86	85	85	85	65	86	85
Holt, Renfrew, com.	100	$3	2.34	128	128	128	128	5	130	120
Do. pref.	100	7	7.00	100	100	100	100½	100	100½	100
Int. Nickel, com.	n.p.	.	...	69⅞	63¾	65¾	68¼	442233	73	46
King Edward Hotel	n.p.	$6.50	10.15	64	64	64	66	25	66	56½
Lyall Construc.	n.p.	$3	4.87	62	55	59	56	5476	62	55
Lindsay, C. W., c.	n.p.	.	...	39¼	33½	39	34	1468	39¼	29
Do. pref.	100	6½	6.73	96	95	96	95	319	96	92
Loew's, com.	100	.	...	..	...	...	...	...	x40	30
Do. pref.	100	7	7.60	..	...	...	...	...	92	92
Mitchell, J. S., com.	n.p.	.	...	65	65	65	65	5	73	60
Do. pref.	100	7	6.66	105	105	105	104	10	105	104
Moore Corp.	n.p.	$1	...	35	33	34½	34¼	1488	36½	33
Do. (B)	100	7	...	..	...	...	...	...	200	200
Do. pref. (A)	100	7	...	140	138	140	...	42	140	138
National Brick, c.	100	.	...	6¾	5¼	5¼	6½	176	8⅜	5¼
Do. pref.	100	6	7.05	85	83	85	82½	625	85	78
Pacific Burt, com.	100	6	5.79	..	...	...	...	...	103½	103½
Do. pref.	100	7	3.41	200	200	200	205	2	205	200
Photo Engrav.	n.p.	$2	4.96	42	40	40	42	930	45	36½
Pt. Hope S., c., new	n.p.	.	...	..	...	...	...	...	60	58
Do. pref.	100	7	...	..	...	...	...	...	x195	120
Rogers, Wm., com.	100	4	5.88	68	68	68	68	50	68½	68
Do. pref.	100	7	7.00	100	100	100	100	10	100	99
Sher-Williams, com.	100	6	2.55	135	231	234½	235	35	235	184½
Do. pref.	100	7	6.08	130	115	130	125	41	130	115
Simon & S., com.	n.p.	.	...	49	45½	49	47	2660	50½	45½
Do. pref.	100	7	6.66	105	105	105	105	85	106	105
Simpson, R., pref.	100	6	5.94	101	101	101	101	48	102	100
Standard Chem., c.	n.p.	2	5.71	35	34	35	34	135	35	25
Sterling Coal	100	.	...	..	...	...	...	...	x19	13
Tuckett Tobacco, c.	100	4	3.30	..	...	...	...	...	121	120
Do. pref.	100	7	5.83	120	120	120	116	5	120	114⅝
Windsor Hotel, c.	n.p.	.	...	33½	31	33½	31½	201	33½	29½
Do. pref.	100	6½	7.22	90	90	90	90	95	94	90
Beverage—										
Assoc. Brew., c.	n.p.	$1	3.44	29	27¾	29	28	2040	31	22¾
Do. pref.	100	7	7.36	95	93	95	93	249	95	93
Brading Brew.	n.p.	$2	8.00	26	25	26	26½	390	29	25
Brew. & Distill.	n.p.	10c	...	4¾	4½	4½	4½	8590	4¾	4
Can. Brew.	n.p.	$2	7.54	28½	25	28	27	2630	32	25
Can. Bud	n.p.	.	...	11½	11	11	11½	110	12¼	8
Canada Dry	n.p.	$4.50	5.29	85	77⅜	85	79	515	85	77
C. Ind. Alc.	n.p.	$1.52+25c	3.93	45	40	44	41½	17636	47	38¼
Do. (B)	n.p.	.	...	39½	35	39½	37	966	39½	35
Can. Malting	n.p.	$1.50	4.87	35	26⅞	34¼	30	8424	35	29
Can. Wineries	n.p.	.	...	11¼	10	11	11	255	11¼	8½
Carling Brew.	n.p.	$2	6.45	31	27	30	28	4505	35½	27
Com. Alc.	n.p.	.	...	23	23	23	25	10	27	21
Cosgrave B.	10	.	...	4¼	4	4	4	351	5	3½
Distil-Seagram	n.p.	$1	3.47	28¾	20½	26½	20	56793	28¾	18
Federal Distil.	n.p.	.	...	1½	1	1¼	1½	1050	1¾	½
Chas. Gurd, com.	n.p.	40c	...	40	39	40	40	335	45	39
Do. pref.	100	7	6.36	110	110	110	110	10	110	110
Honey Dew, c.	n.p.	.	...	38	34½	35	38	123	43	34¼
Do. pref.	100	7	8.33	85	84	84	84½	40	85½	83¼
L. Ont. Brew.	n.p.	.	...	6	6	6	5	90	6	5
Nat. Brew., com.	n.p.	4	2.85	140	132	136½	131¼	4333	140	131
Do. pref.	100	7	5.46	128	128	128	128⅜	125	129	128
Nat. Distilleries	n.p.	.	...	14	13	14	15½	278	17¼	13
Orange Cr., com.	n.p.	.	...	16¾	15½	15½	15	20	20	15
Do. (A)	100	7	7.31	95¾	95¾	95¾	95	5	97¾	94
Do. (B)	n.p.	$2	5.33	38½	37	37	39	186	43½	37
Pelissiers	n.p.	.	...	7	7	7	8	80	8	6¼
Do. pref.	100	7	...	..	...	...	...	...	x103	96
Walker-Good.	n.p.	$3	3.13	95¾	82	91½	83	48831	95¾	78½
Oil—										
Ajax	1	.	...	.39	.34	.37	.35	9600	.49	.34
Beacon Oil	n.p.	.	...	23	23	23	24	50	28	22
Brit. Am. Oil	n.p.	$1	1.77	57¼	54½	55½	57	18706	59½	50
Can. Oil, com.	n.p.	$1	1.70	59½	59	59½	59½	435	62½	59
Do. pref.	100	8	6.15	..	...	...	...	...	130	130
Dominion Oil	..	.	...	..	...	...	...	...	12	10
Foothills Oil	n.p.	.	...	4.00	3.10	4.00	3.75	810	4.50	3.10
Home Oil	1	.	...	4.00	3.50	3.50	3.50	17672	4.00	3.05
Imperial Oil	n.p.	$1.50	1.53	99¼	95¾	97	97⅝	8451	105	95
Int. Pete.	n.p.	75c	1.23	61	57	57¾	57½	48501	67⅞	51
McColl, com.	n.p.	25c	...	36	34	35	35¼	14423	36¾	31
Do. pref.	n.p.	6	6.48	92½	92	92	91	55	93	91
North Star, com.	5	.	...	11.00	11.00	11.00	11.00	200	11.00	8.25
Do. pref.	5	7	...	5.50	5.50	5.50	5.15	50	5.50	5.15
Petrol. Oil	..	.	...	13	13	13	10	1500	15	10
Super Pet., com.	n.p.	50+25c	1.78	44	40	41	40½	5521	45½	32
Do. Voting Trust.	..	.	...	43	41	41	40	251	44	29½
Do. pref.	100	7	6.66	105	105	105	105	5	107	100
Volcanic Oil	n.p.	$1.45	...	[illegible]	37½	37½	37½	55	38½	37½
Vacuum Gas	1	.	...	..	...	...	...	...	3	2
Wainwell Oil	..	.	...	19	18	18	18	20600	24¾	18
Trust, Loan and Insurance—										
Can. Permanent	100	12	4.97	241	235	241	239	91	243	235
Can. Gen. Invest.	100	.	...	107	106	107¼	107½	115	107½	106
Central Canada	100	12+3	3.81	..	...	...	...	...	400	394
Col. Invest.	10	.	...	..	...	...	...	...	x5	4
Econ. Invest.	50	4	3.27	61½	61	61½	61¼	227	61½	60½
Huron & Erie	100	8	4.80	166⅝	166⅝	166⅝	170	47	170	166⅝
Landed Banking	100	10	4.94	202½	202½	202½	202½	2	202½	202½
Mont. Loan	25	12+1	6.00	..	...	...	...	...	x50	48
National Trust	100	12+1	3.33	..	...	...	...	...	390	375
Ont. Equit. 10% pd.	100	6	...	65	60	62	60	551	65	48
Ont. Loan	50	12	4.47	..	...	...	...	...	x140	128
Real Estate Loan	100	7	6.19	..	...	...	...	...	x115	110
Toronto Gen. Trusts	100	12	4.36	275	275	275	270	25	280	270
Toronto Mgr.	50	12	4.76	125⅞	125⅞	125⅞	125	20	125⅞	125⅞
Union Trust	100	7+1	5.92	..	...	...	...	...	135	135
CURB AND UNLISTED MARKETS										
Asch, com.	n.p.	.	...	46	42	42	42	255	50	30
Do. pref.	100	7	7.36	..	...	...	...	...	95	90
Attendu Eng.	1	.	...	2¾	2½	2½	2⅝	1550	6	2½
Belding, com.	100	7	5.00	..	...	...	...	...	140	131
Do. pref.	100	7	6.66	..	...	...	...	...	105	101½
Bissell, com.	n.p.	.	...	42	40	42	44	235	45	35
Do. pref.	100	7	5.60	125	125	125	130	5	130	125
Blue Ribbon, c.	n.p.	$2	4.76	42	41	40¾	41½	310	43	41
Do. pref.	50	6½	6.77	48	47	48	47	15	49	47
Can. Celanese	n.p.	.	...	20	18	18	18	450	25	18
Do. pref.	100	.	...	52	51	51	52¾	20	53	50
Can. Light & Power	100	.	...	70	64	70	62	291	70	60
Can. Marconi	1	.	...	..	...	...	...	...	11	9
Can. Nor. Pr., com.	n.p.	.	...	143	141	141	111	17	143	104⅞
Do. pref.	100	7	6.60	106½	106	106½	106	47	110	106
Can. Paving, c.	n.p.	.	...	40	37	38	39	671	41	33
Do. pref.	100	7	5.51	128	124½	127	127	208	135	107
Can. Vickers, c.	n.p.	.	...	45	40	43½	40	3127	45	36
Do. pref.	100	7	7.56	92½	91½	92½	92¾	265	92¾	89
Can. Vinegar	n.p.	$1.60	4.32	37	34	37	33	2950	38	27
Cons. Food Products	n.p.	.	...	14	13	13	14	157	15	11¼
Cons. Sand., com.	n.p.	.	...	20½	20	20	20½	220	24	17
Do. pref.	100	7	7.14	98	97	98	98	220	99	90⅛
Cooks. Sh. Brick, c.	100	.	...	..	...	...	...	...	22	20⅛
Do. pref.	100	4	...	..	...	...	...	...	63	63
Corr. Pap. Box, pf.	100	7	7.42	..	...	...	...	...	94¼	94¼
Curtis Reid, c.	n.p.	.	...	17	17	17	17	24	17	16
Do. pref.	30	.	...	32	31	31	32¾	85	34	31
Dom. Engineering	n.p.	$4	3.63	110	105	105	103	2662	113	100
Dom. Fdy. & St., c.	100	.	...	27	27	27	29	110	29	20
De Forest	n.p.	.	...	54½	54	54½	55	280	60	48
Dom. Power, com.	100	.	...	85	75	82	85	3115	85	75
Do. pref.	100	7	6.66	..	...	...	...	...	105	104½
Dryden Paper	n.p.	.	...	29	26½	27⅛	30	2835	35¼	26½
Do. Rights	..	.	...	.91	.40	.45	.80	11430	1.00	.30
Durant Motor	10	40c	2.10	22½	18	21½	18	4231	23	13½
E. Dairies, com.	n.p.	.	...	54½	50	50	54¾	2943	60	43
Do. pref.	100	7	...	..	...	...	...	...	x102	79
Eng. Elec., com.	n.p.	.	...	31½	30	30	31	335	31½	17
Do. (B)	..	.	...	32	29	29	30	38	32	24
Do. pref.	100	.	...	..	...	...	...	...	97	85
Farm. Dairy, com.	n.p.	50c	1.47	35	33¼	34	33	2750	35¾	27
Do. pref.	100	7	6.60	106	106	106	...	10	106	106
Firstbrook Box, pfd.	100	7	7.40	94⅜	94⅜	94⅜	94⅜	85	96½	94⅜
For. Pr. Secs.	n.p.	.	...	38	35½	37	36	710	40	35
Freiman, com.	n.p.	.	...	..	...	...	...	...	x20	19¾
Do. pref.	100	6	...	..	...	...	...	...	x90	90
Gt. W. Sad., com.	n.p.	.	...	25	23	24½	24½	735	26	22
Do. pref.	100	6½	6.63	98	97½	97½	97	65	99	96¼
Humberstone	n.p.	$2.50	7.14	35½	35	35	36	85	37	34
Hydro-Electric	n.p.	.	...	37¾	36½	37¾	38	435	40	32¼
Imp. Tob., com.	5	6+2	3.63	11½	11	11½	11¼	3237	11½	9
Kemsley Milbourn	n.p.	.	...	..	...	...	...	...	x20	15¼
Loew's London, c.	10	3	...	..	...	...	...	...	x5¾	4
Man. Power	n.p.	$3	3.03	97½	96	96	99	116	105	96
Mercury Mills	n.p.	.	...	46	42	46	42	156	46	34
Do. pref.	100	6	6.41	93½	93	93½	93	130	93½	92½
Mitchell, Robt.	n.p.	.	...	59	57½	58	60	616	66½	41
Montreal Ex.	30	.	...	20	18	18	19	45	20	16½
Municipal Ser.	n.p.	.	...	7	7	7	6½	150	7	6
North Bak.	n.p.	$2	4.70	42½	34	38	34	966	43	33½
Do. Rights	..	.	...	1.00	.20	.70	.25	21629	1.05	.14
Paton Mfg., com.	n.p.	.	...	..	...	...	...	...	53	53
Do. pref.	100	.	...	..	...	...	...	...	x103	102
Perfection Glass	n.p.	.	...	3½	3	3½	3½	2835	5	3
Pb. Utility Invest.	n.p.	.	...	14¼	13½	14¼	...	110	14¼	13
Regent Knitting	n.p.	.	...	23½	20	20	23¼	560	25½	20
Reliance Grain	n.p.	.	...	43½	43	43	43	445	45	40
Robinson Cone	n.p.	$1.50	4.83	31	26	30	24½	1456	31	24
E. L. Ruddy, pref.	100	7	7.07	99	98	99	97½	15	99	95
Sarnia Bridge	n.p.	$2	6.15	32½	31½	31½	32	318	32½	29
Do. (B)	n.p.	.	...	28½	27	27	29	346	32¾	24
Serv. Stn. Equip.	n.p.	$1.60+40c	2.59	78	75	76½	76	4053	79⅛	58
Do. pref.	100	6	3.94	155	152	152	153	76	160	121¼
Sprucolite	n.p.	.	...	45	43	43	43	85	48	40
Standard Clay	n.p.	.	...	..	...	...	...	...	x34½	33
Standard Pav.	n.p.	$1.50+50c	4.65	44	40	42	40	2974	45½	29
Tamblyn, com.	n.p.	.	...	52½	52	52	52	50	57	49⅞
Do. pref.	100	7	7.14	98	97	97	100	25	100	97
Tip Top Tailors	n.p.	.	...	46¾	43	43	46	993	48⅝	33
Do. pref.	100	7	6.46	108½	108	108	108	374	109	99
United Fuel, com.	n.p.	.	...	24	22	24	23½	170	24½	22
Do. pref.	100	6	7.18	83½	83	83	83	51	86	82
United Secs., com.	100	.	...	65	65	65	65	145	65	55
Do. pref.	100	6	5.71	105	105	105	105	64	105	104
Waterloo Mfg.	n.p.	$1	2.77	36	31	31	35	1210	39	26
West. St. Prod., c.	n.p.	.	...	46	40	46	...	7425	46	40
Do. pref.	100	6½	6.73	96½	96	96	...	30	96½	96

xQuotations for 1928. No sales recorded in 1929 to date.

Dividends Declared

	Rate	Date	Record
Dom. Bridge	65c.	Feb. 15	Jan. 31
Bruck Silk Mills, c.	25c.	Feb. 15	Jan. 31
Penmans, com.	$1	Feb. 15	Feb. 5
Inter. Paper, c.	60c.	Feb. 15	Feb. 1
Foreign Pr. Secs.	1½%	Feb. 15	Jan. 31
Royal Bank	3%	Mar. 1	Jan. 31
Brazilian, c.	50c	Mar. 1	Jan. 31
East. Theatres, c.	50c	Mar. 1	Jan. 31
Crows' Nest Coal	1½%	Mar. 1	Feb. 8
McIntyre Mines	5%	Mar. 1	Feb. 1
Bk. of Toronto	3%	Mar. 1	Feb. 15
Ontario Steel, c.	40c.	Feb. 15	Jan. 31
Do., pref.	1¾%	Feb. 15	Jan. 31
Bk. of Commerce	3%	Mar. 1	Feb. 14
Stand. Paving	37½c.+12½c.	Feb. 15	Jan. 31
Can. Oil, com.	25c.	Feb. 15	Feb. 1
Do., pref.	2%	Apr. 1	Mar. 20
Massey-Harris, pfd.	1¾%	Feb. 15	Jan. 31
Lake of Woods, com.	80c.	Mar. 1	Feb. 16
Do., pref.	1¾%	Mar. 1	Feb. 16
Bk. of Montreal	3%	Mar. 1	Jan. 31
Chase, A. W., pfd.	2%	Feb. 10,	Jan. 31
Int. Paper & Pr. "A"	60c.	Feb. 15	Feb. 1
Simon & Sons, pfd.	1¾%	Mar. 1	Feb. 20
Can. Converters	1¾%	Feb. 15	Jan. 31
So. Can. Power, c.	25c.	Feb. 15	Jan. 31
Wayagamack	75c.	Mar. 1	Feb. 15
Can. Paper Box, pfd.	1¾%	Mar. 1	Feb. 14
Cons. San., pfd.	$1.75	Feb. 15	Feb. 8
Farmers Dairy, c.	25c.	Feb. 10	Jan. 31
Do., pref.	3½%	Feb. 10	Jan. 31
Photo Engravers	50c.	Mar. 1	Feb. 15
Loblaw, com.	50c.	Mar. 1	Feb. 16
Do., pref.	1¾%	Mar. 1	Feb. 16
Smith, H., Paper, pfd.	1½%	Feb. 28	Feb. 18
Hollinger	1%	Feb. 25	Feb. 8
Dom. Engineering	$1	Apr. 15	Mar. 30

Unlisted Stocks

Recent London Quotations

Brewers & Distillers	17s. 2⅝d.
Calgary Power	165
Hudson's Bay	125s.
Hudson's Bay, 5% pref.	94s. 6d.
Can. West. Lumber	9s. 9d.
Standard Chemical, 7%	27½
Dominion Tar	70s.

Recent Vancouver Quotations

	Bid	Asked
B. C. Telephone, pfd., new 6%	105	106½
Pacific Coyle, com.	10¼	13
Gosse Packing, pref.	83½	85

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	...
Can. Fire Ins. Co	...	110
Home Invest & S. Ass'n	72	76
N. Mtge. 50% paid	20	...
Northern Trusts Co.	50	52½
Standard Trusts Co.	...	30
No. Star Oil, pref.	5.25	5.40
No. Star Oil, com.	...	9.00
West. Steel Prod., pref.	96	..
Do., com.	..	42
Crescent Creamery	100	..

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Premium)	Last year Low (Premium)
Jan. 31	17-64	1-4	3-16	11-64
Feb. 1	17-64	17-64	11-64	11-64
Feb. 2	17-64	1-4	11-64	5-32
Feb. 4	1-4	1-4	5-32	5-32
Feb. 5	1-4	15-64	5-32	5-32
Feb. 6	1-4	15-64	11-64	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 31	4.84 15-32	3.92 1-2	5.23 1-4
Feb. 1	4.84 15-32	3.90 1-2	5.23 1-4
Feb. 2	4.84 7-16	3.90 1-2	5.23 1-8
Feb. 4	4.84 7-16	3.90 3-4	5.23 5-16
Feb. 5	4.84 1-2	3.90 11-16	5.23
Feb. 6	4.84 13-16	3.90 9-16	5.23 1-4

FOREIGN EXCHANGE

Par		Jan. 30	Feb. 6
19.30	Italian	5.24¾	5.23
23.80	German	23.81	23.80
13.90	Belgian	13.93	13.93
49.80	Japanese	45.47	45.57

NEW YORK CURB

	Close Jan. 23	Close Jan. 30	Close Feb. 6
Can. Marconi	8 1-4	7 5-8	7 5-8
Imp. Oil Can.	100	96	96 1-2
Inter. Pete.	62 1-4	58 1-4	56 1-2
Int. Util. "A"	45	48	46 1-4
Int. Util. "B"	16 1-8	20 7-8	19 5-8
Nipissing	3 3-8	3 1-8	3 1-8
Noranda	65	62	63 3-8

WESTERN STEEL PROD. EARNS $4 ON COMMON

Profits Exceed Estimate by Full Dollar Per Share

Western Steel Products earned $4.01 per share on the common stock after preferred dividends, bond interest and taxes. The gross earnings were $504,012 for the year ended December 31, 1928, compared with $313,363 for the old company in the previous year. At the time of the public financing of this company it was estimated that the net profits available for dividends on the common stock would be $300,000 or $3 per share. The estimate, therefore, has been exceeded by 33 1/3 per cent.

Current assets are shown at $1,539,641, compared with current liabilities of $344,933. Total assets are $3,736,141, of which $2,182,233 is in land, buildings, plants and equipment. The bond issue totals $1,150,000 and the preferred stock issue $1,000,000.

The shares soon will be listed in Toronto.

Following is the profit and loss account for the year:

PROFIT AND LOSS
Year End. Dec. 31

	1928
Profits	*$514,012
Less: Bond interest	34,500
Taxes	42,358
Net profits	437,154
Pref. dividends	35,750
Surplus for year	$401,404

* After deducting $84,765 for depreciation.

CHARTERED TRUST INCREASES ASSETS

Capital Paid-Up Stands at $1,000,000 For This Year

Chartered Trust & Executor Co. had profits of $74,312 in the year ended December 31, 1928, compared with $74,881 in the previous twelve months. This is arrived at after $6,500 provision for Dominion income taxes. The rate of earnings was 14.3 per cent. on the average amount of capital employed during the year or 13.2 per cent. on the amount paid up ($908,330) as at December 31. It is understood that, since the beginning of the present year, the paid-up capital has been increased to $1,000,000.

Total assets are up from $14,131,723 to $16,382,487. Estates, trust and agencies account increased to $12,818,034 from $11,776,819. The capital is up from $759,902 to $1,310,552. The proportionately large increase in the latter is due in part to the company having acquired new premises, the item of properties being shown at $344,728, compared with $117,225 a year ago. Loans on collateral are up from $141,751 to $332,[illegible] and the company has on deposit some $90,000 in cash.

Following is the record of the company in recent years:

Rate of Earnings

Year	Paid-up Capital	xProfits	Earned p.c.	Div. Rate
1923	$516,802	$17,073	3.3	7
1925	520,782	28,893	5.5	5
1926	520,882	32,752	6.3	5½
1927	522,844	74,881	14.9	5½
1928	908,330	74,312	14.3	6

x Provision for income tax deducted.
†On average capital employed.

Flood Barnes Active Bond Prices

February 6th, 1929

	Price	Rate	Years to Maturity	Next Int. Date	Yield %
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7's due '47	99	7	18	June 16	7.10
Alberta Pacific Grain 1st S.F. 6's due '46	102½	6	17	June 1	5.78
Argentine Govt. 6's Series B due '58	100½	6	29	June 1	5.96
Asbestos Corp. 1st Ref. S.F. 6's due '41	99	6	12	July 1	6.11
Asbestos Corp. Gen. Mtge. S.F. 6's due '56	88	6	27	July 1	6.97
Bell Tel. of Canada 1st 5's Series B, due '57	103	5	28	June 1	4.80
Brazil, United States, Ext. S.F. 6½'s, due '57	96½	6½	28	Apr. 1	6.78
Can. Cement Co. 1st Mtge. S.F. 5½'s due '47	102½	5½	18	May 1	5.28
Canada Power & Paper Coll. Trust 5½'s due '58	89	5½	29	July 1	6.31
Canada Paper 1st S.F. 6's due '45	103	6	16	June 4	5.72
Can. Light & Power 1st S.F. 5's due '49	95½	5	20	July 1	5.35
Canada S.S. Lines 6's 1st and Gen. Series A due '41	102½	6	12	Apr. 15	5.72
Canada S.S. Lines Consol. 5's due '43	103	5	16	Feb. 15	5.36
C.P. Rly. Coll. Trust 5's due '34	101	5	5	Apr. 15	4.83
C. P. Rly. Secured 4½% Notes due '44	98	4½	15	Apr. 15	4.68
Can. Goodrich Income 7's due '43	70	7	14	....	...
Chile Repub. Ext. S.F. 6's due '60	93½	6	33	Apr. 1	6.47
Colombia Repub. Ext. S. F. 6's due '61	89¾	6	32	Apr. 1	6.78
Dom. Iron & Steel Consol. S.F. 5's due '39 (f)	74	5	10	Mar. 1	...
Donnacona Paper Co. 1st S.F. 5½'s due '48	97	5½	19	Feb. 1	5.75
Donnacona Paper Co. 6's Debentures due '48	97¼	6	19	Feb. 1	6.24
Duke Price Power 1st S.F. 6's Series A, due '66	105¾	6	37	May 1	5.63
Fraser Companies 1st S.F. 6's due '50	102	6	21	July 1	5.83
Fraser Companies 6½'s Debentures due '42 (Cum. Stock Rights)	109	6½	13	Apr. 1	5.56
French Line Ext. S.F. 6½'s due '51	102	6½	22	Feb. 15	6.32
French Nat. Mail S.S. Line Ex. S.F. 6's due '52	100	6	23	May 1	6.00
General Steel Wares 1st S.F. 6's due '52	102	6	23	May 1	5.84
Gatineau Power 1st S.F. 5's due '56	97¾	5	27	June 1	[illegible]
Gatineau Power S.F. Debs. 6's due '41	101½	6	12	June 15	5.83
Hydro Electric Bond & Share Corp. Coll. Trust S.F. 5's due '47	96½	5	18	May 1	5.24
Manitoba Power 1st S.F. 5½'s due '51	102½	5½	22	July 1	5.30
Massey-Harris Co. 1st Mtge. 5's due '47	98½	5	18	Apr. 15	5.12
Mtl. Coke & Mfg. 1st S.F. Series A 5½'s due '47	102	5½	18	June 1	5.33
Mtl. Light Heat & Power Cons. 1st Ref. & Coll. Trust 5's Series A, due '51	101¾	5	22	Apr. 1	4.87
Mtl. Tramways 1st Coll. Tr. 5's Series "A" due '41	100¼	5	12	July 1	5.00
Mtl. Tramways Gen. & Ref. 5's Series "A" due '55	99	5	26	Apr. 1	5.07
Nova Scotia Steel & Coal 1st S.F. 5's due '59	76	5	20	July 1	...
Northwestern Utilities 1st S.F. 7's due '38	104½	7	19	June 1	6.37
Port Alfred Pulp & Paper 1st S.F. 5½'s due '57	98	5½	18	Mar. 1	5.68
Price Bros. 1st S.F. 6's, Series "A", due '43	106	6	14	Aug. 1	5.41
Quebec Power Co., 1st Mtge., Coll. S.F. 5's, due 68	99	5	39	June 1	5.06
Shawinigan Water & Power Co. 1st Mtge. Coll. S.F. 4½'s, due '68	95½	4½	39	June 1	4.75
Southern Can. Power 1st 5's Series A, due '55	101¼	5	26	Apr. 1	4.93
United Grain Growers 1st Mtge. 5's due '48	97	5	19	July 2	5.25
United Securities Coll. Trust S.F. 5½'s Series A. due '52	101½	5½	23	May 1	5.46
Wayagamack Pulp & Paper 1st S.F. 6s due '51	103	6	22	July 1	5.76
Winnipeg Electric Ref. 6's due '54	104½	6	25	Apr. 1	5.70

Listed Bond Quotations

Week Ending February 5

	Int. Rate	Due	Yield	Ask	Latest Price Bid	Latest Price High	Latest Price Low	Range 1928 High	Range 1928 Low	Range 1929 High	Range 1929 Low
Montreal—											
Asbestos	5	1942	...	....	105	...	...	106	96	100	...
Asbestos, 1st mtge.	6	1941	6.54	....	...	...	...	103	96	95¾	93
Asbestos, gen. mtge.	6	1956	7.04	....	...	87½	85	99½	84	87½	84½
Can. Car	6	1939	5.04	....	108	...	...	108	106½	...	...
Can. Cons. Rubber	6	1946	...	....	103½	...	...	103½	102½	...	...
Can. Cottons	5	1940	...	....	...	...	...	99½	98⅞	...	...
Can. Forgings	6	1942	...	....	...	...	...	98	...	...	...
Can. Locomotive	6	1951	6.12	....	100¼	...	...	100	98¼	98½	...
Can. Pr. & Pr. deb.	5½	1958	6.58	86	85	86	85½	94	83	89¼	85½
Can. S.S. deb.	5	1943	4.90	....	...	...	...	103¼	101	...	...
Cedar Rapids	5	1953	4.86	....	...	...	...	105¾	96⅞	...	...
Dom. Canners	6	1940	5.48	....	...	...	...	104¼	102	...	...
Dom. Coal	5	1940	5.24	....	...	...	...	99⅞	95	98⅛	...
Dom. Iron	5	1929	8.45	....	...	...	...	102	94	...	...
Mex. Elec.	5	1942	8.88	....	70	...	...	78¼	69¼	...	...
Mex. L. H. & Pr.	5	1940	8.72	....	73	74	...	87¾	70	74	71½
Mont. L. H. & Pr.	4½	1932	5.34	....	...	...	...	97	...	...	...
Mont. Tr., 1st mtge.	5	1941	5.14	....	99	98¾	97	102¼	98¼	99¾	97
Mont. Tr., "A"	5	1955	5.12	....	98	98¼	97	102	97½	98½	97
Mont. G. & R. S. F. "B"	5	1955	5.18	....	...	...	...	102	95	97¼	...
Nat. Brew.	6	1939	...	....	...	...	...	105	104¾	...	...
N. S. Steel	5	1959	...	....	...	...	...	77	69	...	...
Ogilvie Flour "A"	6	1932	5.43	....	102½	...	...	103½	101	...	...
Do. "B"	6	1932	...	....	102½	...	...	103	102	...	...
Do. "C"	6	1932	...	....	102½	...	...	104	...	...	...
Ont. Steel	6	1943	5.58	....	104	...	...	104	103⅝	104	...
Porto. R. Rly.	5	1936	...	....	...	...	...	91¾	...	...	...
Steel of Can.	6	1940	5.20	108½	...	...	...	108	104	107	...
Wabasso	6	1947	5.91	....	...	...	...	103½	101	101	...
Wayagamack	6	1951	6.00	....	100	...	...	105¼	100	100	...
West. K. Power	6	1940	...	....	...	...	...	101	...	...	...
Winn. Elec.	5	1935	...	....	...	...	...	100	99	...	...
Toronto—											
Canada Bread	6	1941	5.82	108	107½	...	...	108½	107	101½	...
Can. Canners	6	1950	5.80	....	101¼	...	...	102½	101	102¼	101½
Dom. Canners	6	1940	...	....	...	...	...	104	104	...	...
Porto R. Rly.	5	1936	...	....	92	...	...	92¼	92	...	...
Postal Tele.	5	....	...	94	...	...	...	95¾	93¾	93¾	93
Steel of Can.	6	1940	...	....	107½	...	...	108	108	...	...
Dominion Govt. Bonds (Montreal)—											
War Loan	5	1931	4.85	100.35	100.10	100.35	100.00	102.85	99.90	100.35	98.85
Do.	5	1937	4.65	103.10	102.70	101.90	.....	106.40	102.25	103.00	101.90
Victory Loan	5½	1933	4.98	102.50	102.30	102.40	101.70	106.50	101.90	102.50	101.70
Do.	5½	1934	5.05	102 20	102.00	102.50	101.90	105.85	101.15	102.60	101.70
Do.	5½	1937	4.70	106.15	105.90	105.20	104.00	110.95	105.50	106.05	104.00
Do., Refund	4½	1940	4.65	98.50	98.00	97.75	97.25	102.70	98.20	99.75	97.20
Do., Refund	5	1943	4.78	102.50	102.25	102.60	102.15	106.10	101.30	102.85	102.00
Do., Refund	4½	1944	4.64	99.00	98.50	98.50	98.45	103.05	98.50	98.50	97.60
Do., Refund	4½	1946	4.60	99.00	98.50	98.60	98.00	103.20	98.40	98.70	97.95
Do., Renewal	5½	1932	5.10	101.65	101.00	101.40	100.80	104.45	100.80	101.70	100.15

Shelly Re-Elected

Hon. W. C. Shelly, minister of finance in the British Columbia Cabinet, has been re-elected president of the Home Oil Co. at the annual meeting held in Vancouver recently. The former board of directors was re-elected for the ensuing year. R. H. B. Kerr, of Victoria, has been added to the board.

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15 Wellington Street West TORONTO

Alley Syndicate Will Pay $4.10 on $5.00 Senior Stock, Profit for Seven Months

"A" Units Get That Amount While "B" Issue Gets $2.05 Profit on $5 in Use Average of 3½ Months

ORIGINAL DOLLAR NOW WORTH OVER FOUR

Amateur Group of Common Stock Investors Have Seen Capital Grow from $2,500 to $60,000, While Stocks Held Have Grown in Value from $5,000 to $111,000

The Alley Syndicate, that amateur syndicate of investors whose adventures from time to time have been chronicled in The Financial Post, had profits of $4.10 on each $5 "A" unit and $2.05 on each "B" unit of invested capital in the seven months ended January 31. The figure is approximate, being subject to corrections by the eagle-eyed chartered accountant whose duty it is to watch the accounts.

January 31 ended the third period of the Alley Syndicate's history. It began on May 2, 1927, with a paid up capital of $2,500. It ends the third period with a paid up capital of $32,958. Its first investments 21 months ago had a market value of approximately $5,000. Its investments as at January 31, had a market value of approximately $111,600. Profits for the first period were 65 per cent., for the second period 35 per cent. on the written up value, and profits for the third period are 82 per cent. on the capital which had been written up twice before.

Original $1 Worth $4.01

One dollar invested at any time in the first syndicate, or up to November 30, 1927, is now worth $4.01. But nearly all of the members of the syndicate have been adding cash in monthly payments so that their total holdings now are considerably in excess of the amount of their profits on the original investment. One typical investment has been as follows:

Date	Cash Payment	Profits	Total Credits
1927—			
May 2	$ 80	......	$ 80
$20 monthly to Nov. 30	120	$130	330
1928—			
$40 monthly to June 30	240	151.20	721.20
July 1, adjust.	3.80		
$40 monthly to Jan. 31, '29	240	695.30	1,660.30
Totals	$683.80	$976.50	$1,660.30

Thus while the total cash paid into the syndicate has been only $683.80, the credit in the account, as the result of accumulated profits, stands at $1,660.30. The total profits in the period have been 143 per cent. of the cash paid in. This 143 per cent. profit is profit on the payment made January 1, 1929, as well as on the credits carried forward from previous periods of operations.

37 of 53 at Profit

As at January 31, the syndicate owned 53 stocks and had participations in six mining and other syndicates. The books closed with 37 of the 53 stocks showing a profit, thirteen showing a loss and three unchanged from the purchase price. Of the six syndicates, two were carried forward at the cost price and four showed a loss.

The complete list of stocks, showing the number of shares held, the cost price and the closing price January 31, is printed in another column. Study of the stocks by groups may interest the investor.

No Profit in Paper Group

In the pulp and paper group, the syndicate has three stocks. One shows a loss, one a profit and the third, the most recent purchase, is unchanged. The net result of the pulp and paper investments is a book loss of $187.50 on 100 shares in three companies. Last October, the syndicate lost $175 on ten shares of Price Bros., which had been sold on the assumption that this newsprint would slump as the others had. The stocks now carried were all bought later. Previously, the Alley investors had owned Abitibi shares, but got out of these at a profit.

Six stocks in the steel group are carried and every one is at a profit. The biggest profit is on Lake Superior Corp., this having been purchased at $7 per share, but there is also a substantial profit in Massey-Harris which had been carried over from previous syndicates. The gross profit on 275 shares in six steel companies is $6,000.

Stoploss Orders Curtail Gains

At one point in the history of the third Alley Syndicate, the managers experimented with stoploss orders. They had become nervous over the market and wished to make sure of at least a portion of their profits. Within a week certain good stocks, like Dominion Bridge, Quebec Power and Hiram Walker, were disposed of at stoploss prices. Then the market turned for the better and every one of these stocks since has been reacquired at higher prices. Stoploss orders on other stocks which had not been filled were speedily cancelled.

The syndicate has eight stocks in the food and merchandising group. Six show a profit, one—not yet listed—is at a loss, and another is unchanged in price. The gross profit on 345 shares in this group is $1,961.25.

Six of Seven Gain

The utility group likewise is satisfactory. There are seven stocks in the group and six show substantial profit. The loss on the seventh, Quebec Power, is fractional, and there would be a profit had it not been for the stoploss order filled on this stock. There are 195 shares in seven companies and the gross gain is $2,277.25.

There are only two stocks in the beverage group and both are at a profit. There are 50 shares and the gain is $496.95.

All stocks in the oil group are at a profit although one, Supertest, was carried at a loss for some months. There are 175 shares in four companies, with a profit of $2,012.75.

There are ten stocks in the general industrial group. Eight show a profit and two a loss. There are 305 shares, on which the profit is $4 947.50. There is only one bank stock, six shares, carried at a loss of $6.

The textile group as a group is the most unsatisfactory. But there are only two companies, however, and the loss on 60 shares is $150.

There are eleven mining stocks. Six show a profit and four a loss. The net gain is $6,785. This includes the profits on 75 shares of International Nickel and 75 shares of Mond, which some investors insist on classifying in the industrial group. But even without the nickel stocks, the mining stocks show this syndicate a profit of $541.25.

Six syndicates are carried forward at a loss of $622. Four of these are mines. One syndicate which developed into a mining company enabled the Alley syndicate to sell half its interest for $425 cash.

The reserve account of the syndicate also records a profit of $3,730 on 100 shares of International Nickel which were sold a week or two ago at 67½. The managers of the syndicate were not agreed that Nickel should have been sold, but one faction carried its point on the ground that the syndicate's investment in Nickel was disproportionately large. When the exchange of Mond has been completed, the syndicate will have 150 shares in the new company and this, it is contended, is a sufficient proportion of the capital to be in one stock. There is no lack of confidence in the future of Nickel for the long pull.

The syndicate, it will be observed from the reserve account, has taken a number of losses. The aggregate is $2,023. In all there have been twenty losses in the seven months.

There have been comparatively few occasions when the syndicate has sold out completely its holdings in any one company. In instances where there has been a partial liquidation, the profit on the portion sold has been used to reduce the price on the amount of stock remaining in that account.

Has Always Held Nickel

Since the syndicate started in 1927, undoubtedly the most profitable stock has been International Nickel. The original purchase was 50 shares at 58. This was considered too much of a load for a group having a capital of $2,500 so 20 shares were sold at cost, ten more at 64 and 10 additional at 75. There were numerous trades thereafter but the syndicate always kept not less than 10 shares of this stock (this refers to the old stock).

By the time the present syndicate had begun operations, profits realized exceeded the value of the 10 Nickel held. The highest number of the new shares has been 175, plus 75 shares of Mond. The last purchase of International Nickel was 25 shares of the new at 55.

Early Buyer of Mond

Former syndicates also owned Mond. There were 100 shares bought in London around $10 per share. This was the stock which was split two for one about the time it was listed in Toronto. The Mond held in London was sold out after a few weeks because of the difficulty and delay in looking after a London account. There was a nice profit, but, of course, nothing like the gain if the shares had been held throughout.

Of the 75 shares of Mond held at present, 50 represent a purchase after the listing in this country and before the two-for-one split, sixteen represent rights taken up at £3/10 and nine were purchased to round out the lot to 75.

Had "Deficit" in Reserve

The syndicate which closed its books on January 31 transferred $750 of unrealized profits on International Nickel to the reserve in order to wipe out the deficit in that account. In the closing days, also, profits of $3,730 was similarly transferred. On International Nickel and Mond, the realized and unrealized profits between July 1, 1928, and January 31, 1929, was $10,731.72. The profit would have been materially greater if 10 shares of the old stock had not been sold in November at 148 just before the big move.

368% Gain on Another

While the two Nickel stocks brought the syndicate more than 40 per cent. of the total profit in the last period, the distinction of being the biggest money-maker in proportion to the capital invested belongs to the stock of Lake Superior Corp. (Algoma Steel). The gain from the date of the purchase last September has been 368 per cent. There was $715 invested and the 100 shares now have a market value in excess of $3,400.

The average gain on the cost of all the stocks held at the end of the

(Continued on page 12)

Alley Syndicate's Biggest Profit Comes from Group of Steel Stocks

No. Shs.	Group	Gain per share	Loss per share	Aver. cost per share	% gain or loss per share
100	Paper	....	$1.87	$51.25	— .36
225	Steel	$26.66	....	60.85	+43.8
335	Food	5.85	....	39.82	+14.69
210	Utilities	10.55	....	68.65	+15.34
50	Beverage	9.93	....	72.12	+13.76
175	Oils	11.50	....	49.81	+23.08
305	General	16.23	....	75.45	+21.52
6	Bank	....	$1	387	— .25
60	Textiles	....	2.50	76	— 3.28
1.125	Mines	6.25	....	19.90	+31.40
975	Mines, minus Nickel	.55	....	18.79	+ 2.92
150	Nickel and Mond	41.62	....	21.31	+95.3

Reserve Acc't Indicates Pool Had Few Losses

The following is the reserve of the Alley Syndicate for the period beginning July 1 and ending January 31. The reserve account records transactions where profits or losses are taken. It will be observed that the first entry is as of Aug. 31. Prior to that the syndicate's third period had been inactive, owing primarily to the sluggishness of the market.

	Dr. & Cr.	Bal.
Aug., 1928—		
31 Gain, Christie Brown	16.46	
31 Gain, Premier	5.94	
31 Loss, Cosmos	85.60	
31 Loss, Can. Vinegar	46.46	
31 Loss, Carlings	157.92	
31 Gain, B.C. Fish	39.46	
31 Loss, Stanfords	32.06	
31 Loss, Hunts	28.16	283.34
31 Adj. Can. Vinegars	.10	283.24
Sept.,—		
12 Loss, Sand & Gravel	33.79	
12 Loss, Fanny Farmer	107.98	
12 Profit, Power Corp.	36.27	
13 Profit, Quebec Power	38.84	
14 Profit, H. Walkers	26.60	
14 Loss, Dom. Bridge	8.65	
15 Adj. loss, Dom. Bridge	.18	
21 Gain, Laura Secord	,82	330.95
Oct.,—		
1 From men & mines	68.40	
19 Loss, McIntyre	132.62	
19 Gain, N. Bakeries	29.34	
19 Loss, Cons. Gas.	37.18	
26 Gain, Tor. Mtge.	32.94	
30 Loss, Price Bros.	175.00	681.87
Nov.,—		
30 Gain, Acadia Trust	25.00	656.87
Dec.,—		
Loss, Cent. Manitoba	71.12	
7 Loss, Teck Hughes	128.87	
7 Loss, Lake Shore	237.56	
7 Loss, Pure Gold	115.84	
7 Gain, Ont. Loan	5.95	
7 Gain, Gen. Steel	23.44	
10 Loss, Bidgood	284.05	
19 Gain, Howey	132.20	
19 Gain, B.C. Power	351.12	
19 Loss, Malartic	50.06	1,031.66
Jan., 1929—		
3 Gain, B.C. Packers	250.00	
7 Loss, Alta. Grain	183.34	
9 Loss, Wpg. Elec.	43.78	
12 Gain, F. N. Burt. 178.82		
Noranda 204.00		
Brazilian 150.00		
Int. Nickel, 750.00	1,278.82	
17 Gain, C.P.R.	216.10	
31 Gain, Man. Basin	425.00	
31 Gain, Int. Nickel	3,730.00	4,641.14

R. A. Daly & Co. Moves

The investment firm of R. A. Daly & Co., Ltd., has moved its offices to the 19th and 20th floors of the new Toronto Star Building, at 80 King St. West.

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As this issue has been sold this advertisement appears only as a matter of record.

New Issue

$1,500,000

Standard Paving & Materials Limited

(Incorporated under the Ontario Companies Act)

7% Cumulative Convertible Redeemable Preference Shares

The Preference shares are fully paid and non-assessable, entitling the holder to preferential cumulative cash dividends at the rate of 7% per annum payable quarterly, on the 15th days of February, May, August and November in each year at any branch of the companies' bankers in Canada, (the first dividend to be paid on the 15th day of May, 1929) and are preferred as to assets over other class shares, and to the extent of 110% of par value thereof and accrued dividend in case of voluntary liquidation. The preference shares are redeemable, by the company, in whole or in part by purchase in the open market at the lowest available price not exceeding the redemption price, or on any dividend date upon thirty days previous notice at $110 per share and accrued dividend, and are convertible at the holder's option into common shares at any time on the basis of 2½ common shares without nominal or par value for each one preference share unless previously called for redemption. In the event of preference shares being called for redemption the conversion privilege may be exercised at any time up to ten days prior to date fixed for redemption.

TRANSFER AGENT: Chartered Trust & Executor Co., Toronto.
REGISTRAR: The Canadian Bank of Commerce, Toronto.

CAPITALIZATION

(Upon completion of present financing and exchange of shares.)

	Authorized	Issued
7% Cumulative Convertible Redeemable Preference Shares (Par Value $100)	$1,500,000	$1,500,000
Common Shares (without nominal or par value)	200,000	104,872

37,500 Common Shares Reserved for Conversion of these Preference Shares.
15,000 Common Shares Reserved for Conversion of Preference Shares of Consolidated Sand & Gravel, Limited,

Letter from Mr. John E. Russell, President

Toronto, January 30, 1929.

STEWART, SCULLY COMPANY, LIMITED
HARLEY MILNER & CO.
Toronto, Ont.

Re: STANDARD PAVING & MATERIALS, LIMITED

DEAR SIRS:

On completion of the organization and exchange of securities the above Company will own all of the issued Capital Stock of the following Companies:
STANDARD PAVING LIMITED,
KILMER AND BARBER, LIMITED,
NATIONAL SAND & MATERIAL COMPANY LIMITED,
and the issued Common Stock of:

CONSOLIDATED SAND & GRAVEL LIMITED

The Standard Paving Limited Stock and the Common Stock of the Consolidated Sand & Gravel Limited, is being secured by the exchange of shares and the control of the stock has been pledged for exchange in each case by interested stockholders.

The purpose of the present issue is to buy for cash the stock of the other two Companies.

The present financing will also give the Company sufficient additional money to purchase another Company for which negotiations are now being conducted.

When all the stock of the two Companies is exchanged the capitalization of the new Company will be:

	Authorized	Issued
Preferred Stock	$1,500,000	$1,500,000
No Par Common Stock—shares	200,000	104,872

Of the unissued common stock 37,500 shares will be set aside for exchange of Standard Paving & Materials, Limited preferred stock and 15,000 shares will be set aside for the exchange of Consolidated Sand & Gravel Limited, preferred stock.

I estimate the net earnings of the combined companies for 1929 after making full allowances will be in excess of $680,000 which, after paying the preferred dividend on the present issue and the preferred dividend on the $1,200,000 preferred stock of Consolidated Sand & Gravel, will leave $491,000 available for the common stock.

The following have consented to act as officers and directors of the Company:
John E. Russell, Toronto, President,
John Gleeson, Ottawa, Vice-President and Chairman of the Board.
J. F. M. Stewart, Toronto, Vice-President,
Gordon C. Edwards, M.P., Ottawa,
G. G. Robinson, Toronto,
J. F. Driscoll, Buffalo,
W. B. Milner, Toronto,
John Foley, Ottawa,
E. T. Davis, Toronto,
H. B. Smith, Toronto.

The Company has on hand substantial contracts at satisfactory prices for this season.

Yours truly,
JOHN E. RUSSELL,
President.

These shares are offered when, as, and if issued and received by us, and subject to the approval of all proceedings by Messrs. Rowell, Reid, Wright & McMillan, Solicitors, Toronto.

PRICE: $100 per share and accrued dividend.

Application will be made to list the Preference and Common Shares on the Toronto Stock Exchange

Stewart, Scully Company, LIMITED
Royal Bank Building,
TORONTO 2
Telephone: ELgin 8333

Harley Milner & Company
350 Bay Street,
TORONTO 2
Telephone: ADelaide 9071

Statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

ALLEY SYNDICATE WILL PAY $4.10 ON $5.00 SENIOR STOCK

(Continued from page 11)

syndicate was 28 per cent. The net profit on the shareholders' money after various deductions was 82 per cent., and the amount was $24,734.09, which is arrived at as follows:

Market value of stocks held	$111,592.38
Less 1% for selling expenses	1,115.92
	$110,476.36
Cost or book value	89,196.10
Gross profit	$ 21,280.36
Add P. & L. surplus	427.49
Reserve account	4,641.14
Less Jan. interest estimated	313.00
	$26,035.89
Less 5% special reserve	1,301.80
Net profit	$ 24,734.09

Two Classes of Stock

Shareholders, about 40 in number, had paid up capital of $32,958.13, which is divided into 5,446 "A" units of $5 par value and 1,143 "B" units of $5 par value. The "A" units represent money left in for the full period of seven months. The "B" units represent the monthly payments. As the "B" units were only in the syndicate for an average of 3½ months, each "B" unit receives only half the profit allocated to each "A" unit. Thus the "A" receives $4.10 per unit and the "B" receives $2.05 per unit. This figure is only approximate, as the item of January interest has not been determined exactly and the books are yet to be audited.

The tentative balance sheet as of January 31 is as follows:

Assets

Cash	$ 1,501.24
Investments	89,196.10
	$90,660.10

Liabilities

Bank loan	$ 7,150.00
Owing brokers	45,483.58
Jan. interest (est.)	315.00
Capital	32,958.13
Profit and loss	427.49
Reserve	4,641.14
	$90,660.34

As more new money is being received than is being withdrawn by shareholders, it is probable that the syndicate will enter its fourth period with capital of about $60,000. It is the intention of the managers to continue to hold most of the stocks carried over. Certain others have been purchased since February 1, including 90 shares of Canadian Vickers, bringing the holding to 100, 100 additional shares of Falconbridge, and 25 more Power Corp.

In Event of Loss

"B" units in the syndicate in the third period automatically become "A" units in the fourth period. Heretofore, there has been an advantage in the holding of "A" units, but, in the event of the syndicate registering a loss for the period, each "A" unit is charged with twice the loss charged against each "B" unit.

The managers, whose number has been increased from five to seven, have broad powers. The syndicate is purely an institution of mutual trust which has been operated harmoniously thus far. Every effort is made to keep the records accurately. There is considerable book-keeping involved in the maintenance of adequate records of stocks and of shareholders' accounts. The secretary, a willing individual who took the books to his home nights and week-ends, was granted an honorarium of $100 in recognition of his work during the third period. Other expenses were less than $25. His remuneration during the fourth period, it is said, will depend on the results of the operations.

Books Save Money

The secretary of this syndicate is of the opinion that the average investor, or trader on margin, requires to keep books in order to check against brokerage accounts and that the books are a method of reviewing the situation in order to help determine whether satisfactory progress is being made. The brokers, it will be recalled, are extremely busy and, with the best intentions in the world, errors are likely to creep in to the disadvantage of the client.

Brokerage accounts in Toronto are in the name of one person, and a brokerage account in Montreal is in the name of a person resident in that city. All securities in the vault and deposited at the bank as collateral are in the name of the person in whose name the brokerage accounts are carried.

Will Divide Responsibility

With capital of about $60,000 and gross assets in excess of probably twice that amount, this plan places a considerable responsibility on one person. For this reason it has been decided that the bank account and vault be dealt with as a trade-name, that two persons sign each cheque and that two persons together shall visit the vault. The matter of incorporation has been discussed and abandoned for the time being, for various reasons.

Managers of the syndicate say that its history began over a luncheon table in April, 1927. Several salaried persons were bemoaning the fact that their capital was too limited to enable them to make much progress in the market without great risk. One individual suggested the adaptation of a plan which had been detailed in an investment magazine a number of years previously.

Within three weeks, the plan was started. There were 23 original shareholders who put up from $20 to $220 each and equal amounts of one-quarter the original payment for six months thereafter, thus maintaining the original proportion throughout.

When the second period arrived, it was found that some persons wished to increase their payments, some wished to draw out cash and others wished to add to their holdings. For this reason, the "A" and "B" units were devised as the fairest to all concerned. This has worked satisfactorily since and apparently each of the shareholders understands the system.

The 5 per cent. special reserve created for the fourth period was stipulated at the beginning of the third period. The reason for this is that the syndicate felt that it was beginning operations in a somewhat dangerous position, without a reserve of any description. The reserve will not be counted as part of the profits for the fourth period, and another 5 per cent. of the profits—if there are profits—will be added. As this reserve grows, it is probable that new shareholders will be required to pay a premium for the "A" units for future periods.

Some Lessons Learned

As a result of the experience gained over the last 21 months, the managers are believed to be more inclined to buy only the best stocks in any industry, to diversify, to endeavor to keep informed as to the progress and prospects of an industry as well as the situation marketwise, to avoid purchase of new issues except where an early listing is probable and to keep a watch on the market rather than to file stoploss orders on stocks which are good for the long pull.

Usually a margin of 40 per cent. is maintained, but, during the depression of last August it got down to 35 per cent. and in the closing days of the syndicate exceeded 50 per cent. by a small amount.

One lesson has been that quick profits often are made on the long hold stock and that, as in the case of Lake Superior Corp., good profits are to be made in a company which has turned the corner if it can be determined that the corner is being turned.

From the point of view of the individual shareholder, the value of this syndicate appears to have been that he has been able to profit from a rising stock market with a minimum of risk and a maximum of diversification and without having first to go through the laborious process of saving the funds for the initial venture.

Alley Syndicate Has 53 Stocks

Shares	Stock	Cost Price	Market Jan. 31	Gain or Loss
	Paper			
50	Dryden	35	28	—$ 350.00
25	Brompton	33¾	40¼	+ 162.50
25	Fraser Cos.	83	83	Unchanged
100	Total paper			—$ 187.50
	Steel			
25	Dominion Bridge	93½	107	+ 337.50
100	Lake Sup. Corp.	7	34	+ 2,700.00
25	Massey-Harris	46½	93½	+ 1,162.50
25	Page Hersey	107	130	+ 575.00
100	Steel of Canada	50¼	62½	% 1,225.00
225	Total Steel			+$6,000.00
	Foodstuffs and Merchandising			
25	B. C. Packers	13¾	30	+ 431.25
50	Canners, 2nd pref.	19¼	25⅞	+ 331.25
50	City Dairy	58½	76	+ 875.00
100	Consolidated Food	9½	14	+ 450.00
50	Hudson's Bay Co.	30	30	Unchanged
50	Int. Prop. "A"	40	34	— 300.00
10	Loblaw	97	101⅞	+ 48.75
10	J. S. Mitchell	50½	65	— 125.00
335	Total Food			+$1,961.25
	Utilities			
50	Int. Utilities "B"	17	19	+ 100.00
15	Mont. Power	106¼	111	+ 71.25
25	Power Corp.	80	115	+ 875.00
25	Quebec Power	94⅜	93½	— 21.50
25	Shawinigan	82½	90	+ 187.50
20	South Can. Power	36¼	58¼	+ 440.00
50	Brazilian	64¼	76¾	+ 625.00
210	Total Utilities			+$2,277.25
	Beverages			
25	Canada Dry	78	78⅝	+ 15.50
25	Walker-G. & W.	66¼	85½	+ 481.25
50	Total Beverages			+$ 496.95
	Oils			
25	B. A. Oil	50¾	56	+ 131.50
25	Imperial Oil	67	97¼	+ 756.25
75	Inter. Petroleum	46½	57½	+ 825.00
50	Supertest	35	41	+ 300.00
175	Total Oils			+$2,012.75
	General			
50	F. N. Burt	83	83	Unchanged
25	Can. Ind. Alco. "B"	40	36	— 100.00
10	Can. Vickers	33	40	+ 70.00
25	Goodyear Tire	151	240	+ 2,225.00
25	Hayes Wheels	44½	52	+ 162.50
50	Moore Corp.	25¾	34	+ 425.00
50	U. S. Rubber	31⅝	51⅞	+ 2,012.50
25	Canada Cement	33	30½	— 62.50
25	Standard Paving	35	44	+ 275.00
10	Wright Aero	277¾	271¾	— 60.00
305	Total General			+$4,947.50
	Banks			
6	Royal Bank	387	386	— 6.00
	Total Bank			—$ 6.00
	Textiles			
10	Dom. Textile	116	111	— 50.00
50	Riverside Silk	36	34	— 100.00
	Total Textiles			—$ 150.00
	Mines			
25	Coast Copper	52½	60	+$ 187.50
100	Falconbridge	$ 5.05	$ 7.75	+$ 170.00
100	Hollinger	9.75	8.90	— 95.00
50	Hudson Bay	19.05	21.25	+ 110.00
250	Howey	1.15	1.05	— 25.00
75	Inter. Nickel	28	67½	+ 2,962.50
75	Mond	21¾	65½	+ 3,281.25
25	Noranda	51	63¼	+ 306.25
50	Pend Oreille	15	12¾	— 162.50
125	Sherritt-Gordon	6.30	7.90	+ 200.00
250	Sudbury Basin	9.35	8.75	— 150.00
1,125	Total Mines			+$6,785.00
	Syndicates			
	"A"	$500	$500	Unchanged
	"B"	$175	$1	—$ 174.00
	"C"	$40	$1	— 39.00
2,000	"D" (pooled)*	16¾	16¾	Unchanged
5,000	"E"	$500	$250	— 250.00
	"F"	$200	$1	— 199.00
	Total Syndicates			—$ 662.00

* $760 realized on sale of free stock from this syndicate.

Power Farming Shown In Moving Pictures

Power farming in Western Canada formed the interesting subject of a two-reel moving picture shown before a group of automotive and allied industries' representatives in the King Edward Hotel, Toronto, last week, by the International Harvester Company of Canada, Limited.

The picture, which was not just the usual string of scenes of agriculture found in such displays, had a real continuity and a plot. Two farmers, one using horses and the other motor-power on their neighboring farms, were the main actors. The story represented the conversion of the horse-user to the ways of power-farming, each stage showing the economies resulting through the change-over from animal traction to that supplied by iron, steel and gasoline.

The final scenes showed the operation of giant combines which mowed and threshed the grain from the standing crop and delivered it to a truck which rushed the finished grain to the elevator. The films, which took nearly an hour to show, depicted the full cycle of the crop and were taken in Gull Lake, Saskatchewan, in typical wheat country. One point stressed by the film was the saving in man-power effected through the use of self-propelling machinery and the additional saving made through the fact that five acres are required for the support of each horse per year. With tractors, the ground formerly used to grow horse-feed can be used for cash crops, it was pointed out.

G. S. Wares Consolidates Its Equipment Business

From Our Own Correspondent

MONTREAL.—General Steel Wares, by the acquisition of the Fletcher and McLaughlin soda fountain companies, has completed another step in its expansion. The company, in addition to holding a strong position in the hotel equipment field, is now an important factor in supplying the requirements of the soda fountain industry.

According to F. C. Corrigan, general manager of General Steel Wares, the company is simply taking over the equipment end of the McLaughlin business, about $100,000 being involved in the transaction. The deal represents a consolidation of equipment manufacturers. This, however, is only one branch of the various activities undertaken by General Steel Wares.

The company is at present installing new kitchen equipment at the Chateau Laurier at Ottawa, and has been awarded the contract for kitchen and other equipment for the new Royal York Hotel, Toronto.

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Consolidated Gas of N.Y.
American Gas & Electric
Brooklyn Union Gas
Columbia Gas & Electric
National Power & Light
Am. Water Works & Electric
Southeastern Pow.
Imperial Oil
British Amer. Oil
Int. Petroleum
Standard Oil of N.J.
Steel Company of Canada
Imperial Tobacco
Dominion Bridge
Simmons Company
Canadian Bronze
Etc.

THIS Company, which operates under restrictions similar to those employed by representative English and Scottish investment trusts, has completed successfully its first year of operation. Recently, the initial dividend of 50c per share was paid and we anticipate that the distribution will be substantially increased in the current year.
The Company is conservatively managed, 50% of its resources being employed in high-grade bonds, and 50% in stocks. With regard to stocks, it is the policy of the management to maintain a preponderance of the securities of established public utility companies having good past records and future possibilities.
We originated and distributed the securities of the Public Utility Investment Company and recommend these shares to those interested in obtaining safety of principal and income, besides increasing dividends and consequent capital profit over a period.
The stock is listed on the Montreal Curb Market and orders may be sent to us directly or to any broker. It is currently quoted around 14-14½. Descriptive circular upon request, without obligation.

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AT the head of the old Netherbow Port (in High Street) stands the house of the great reformer, —John Knox, minister of St. Giles Cathedral, 1560-1569. Now a museum and curiosity shop, it is visited by thousands of pilgrims of his faith.

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David & Frère, Limitée

BISCUIT MANUFACTURERS

First annual report

BALANCE SHEET as at December 31st, 1928

ASSETS

Cash on hand and in bank		$ 7,580.65	
Accounts receivable	$106,598.87		
Less Reserve	3,637.23		
		102,961.64	
Inventories at cost		69,272.21	
Investments in Government and Municipal bonds	34,769.75		
Accrued interest	526.58		
		35,296.33	
			$215,110.83
Land, buildings, machinery and equipment, rolling stock, furniture and goodwill		736,749.77	
Less Reserve for depreciation		89,219.01	
			647,530.76
Deferred charges: taxes, insurance, etc.			2,421.96
			$865,063.55

LIABILITIES

Accounts payable	$ 3,565.77	
Unclaimed dividends	251.44	
Accrued charges	2,884.79	
		$ 6,702.00
Capital Stock Issued:		
Ordinary shares, Class A 23,000 shares, no par value	690,000.00	
Ordinary shares, Class B 23,000 shares, no par value	115,000.00	
		805,000.00
Surplus		53,361.55
		$865,063.55

Approved on behalf of the board:
J. H. BOUVIER, ARISTIDE COUSINEAU } Directors

AUDITORS' REPORT

We have examined the books and accounts of "DAVID & FRÈRE, LIMITÉE" for the period from the commencement of its operations in June 1928, to December 31st, 1928, and have received all the information and explanations we have required.

We certify that the above Balance Sheet, in our opinion, shows the true financial position of the Company on December 31st, 1928, according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) La Rue & Trudel, Chartered Accountants.
E. Robitaille, C.P.A., Auditor.

Montreal, January 28th, 1929.

STATEMENT OF EARNINGS for the period beginning June 10, 1928 and ending December 31, 1928.

Manufacturing profits		$143,900.41
Less Selling and administrative expenses		65,585.90
		78,314.51
Other income		1,057.79
Total net earnings		$ 79,372.30
Deduct:		
Dividend No. 1, September 15, 1928	$ 12,880.00	
Dividend No. 2, December 15, 1928	12,880.00	
Incorporation expenses	250.75	
	$ 26,010.75	
Balance; December 31; 1928	53,361.55	
	$ 79,372.30	$ 79,372.30

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Branch:—REGINA

CPTC
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should contain authority to your Executors and Trustees to do those things after your demise which you would like to have done if you were still living. To simply state how you desire your Estate distributed is not necessarily sufficient. Look into the question of the powers granted under your Will to sell Real Estate, to take up stock allotments, to agree to re-organizations of any Company in which you may be interested, to make payment of Succession Duties and to cover other important points.
Conferences Invited
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Manager, Ontario Branch • A. E. HESSIN
40

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Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.
Head Office: BRANDON, MAN. — Branch Office: Swift Current, Sask. — JOHN R. LITTLE, Managing Director

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON — 58 years in business — CANADA
Capital, paid-up, $1,750,000 — Reserve Fund, $2,875,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, *President* — T. H. MAIN, *Manager*

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The largest and most splendidly equipped office structure in the British Empire . . . .

Situated at the busiest corner in all Canada, on the block bounded by Dominion Square and St. Catherine, Peel and Metcalfe Streets, where it **dominates** the Uptown district . . . .

Modern . . . . from the imposing sweep of its four Italian Renaissance facades to its 600-feet-a-minute **automatic** elevators, its four underground garage floors, its battery of escalators, linking the street with its beautiful Mezzanine Floor . . . .

We cannot begin to detail here the innumerable refinements of design . . . . the beauty of finish . . . . the perfection of service and equipment which make DOMINION SQUARE BUILDING the most up-to-date and most desirable office location in Canada.

We do suggest that you have us call at your earliest convenience, ready to furnish you with all necessary particulars about DOMINION SQUARE BUILDING. As a business man, you will find them of vital interest.

For here is a unique opportunity to move your Montreal business, not only into a building magnificently modern but also to what will quickly become the most famous business address in the whole Dominion.

Dates of Occupancy

Garage space in DOMINION SQUARE BUILDING, covering four under-ground floors will be available on June 15.

Ground floor, Mezzanine and the first floor will be ready for occupancy on July 1. Additional floors will be brought to completion every ten days thereafter.

The entire building will be ready for occupancy at the end of the year. See floor plans and select your space NOW.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 8, 1929 | 10c. a Copy; $5.00 a Year | No. 6

PAGE-HERSEY EARNS $11.29, DIVIDENDS UP

Preferred Rate Now Lower Than Equivalent On Common

CONVERSIONS RAPID

Outlook For At Least First Half of 1929 Is Promising, Says President

At the annual meeting of Page-Hersey Tubes at Welland on February 5, announcement was made of an increase in the common dividend rate from $3 to $4 per annum, the first payment to be made April 1. As the preferred is convertible into common on the basis of two shares of common for one preferred, conversions henceforth are likely to be more rapid. The preferred rate is 7 per cent.

Earnings on the 140,502 common shares outstanding as at December 31 were $11.29 per share, compared with $7.02 per share on the 116,818 shares outstanding at the end of the previous year. The preferred outstanding has been reduced as at December 31, to 17,059 shares from 27,151 shares.

Working Capital Higher

Working capital is up from $4,239,673 to $4,755,701. Current assets grew in the year from $4,485,721 to $4,978,263. Current liabilities stand at $222,562, compared with $246,948 a year ago.

First mortgage bonds to the amount of $918,000 were outstanding at the end of 1927 and these were called for redemption as of December 1, 1928. By the end of the year all but $84,000 had been redeemed and cancelled and at the date of the report, there were only four $1,000 bonds outstanding and the owners of these had not been located. The original issue, for $2,000,000, was made in the summer of 1926. The issue has been redeemed out of earnings and sale of securities.

President Optimistic

The report signed by W. W. Near, president and managing director, is optimistic in tone. It is stated that the reduction in the prices of finished goods, referred to a year ago, had been more than offset by lower manufacturing costs and heavier consumption and that the outlook for at least the first half of the current year was promising.

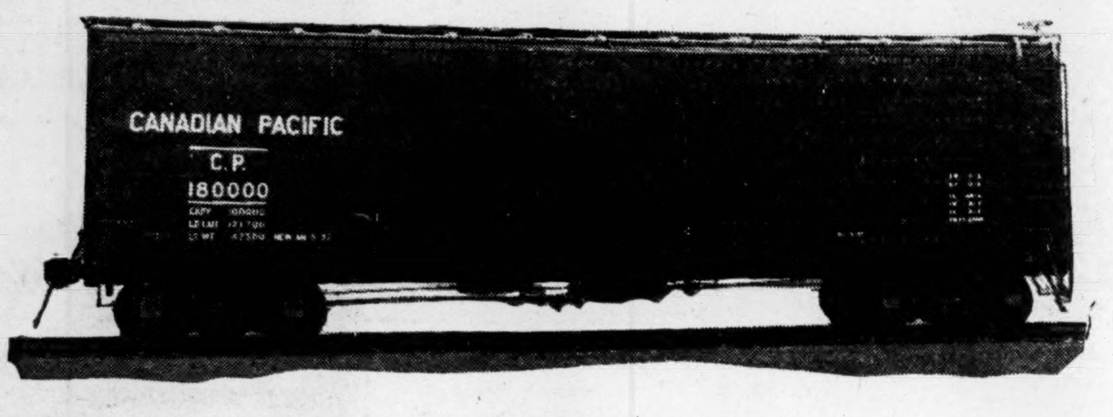
Depreciation to the amount of $277,768 was charged off before showing operating profit of $1,616,152.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1928 $	1927 $	6 mos. to Dec. 31, 1926 $
*Net profits	1,720,731	1,021,700	382,174
Less appropriations:			
Pref. div.	133,327	200,909	105,000
Com. div.	406,954	341,152	166,680
Surp. for year	1,180,449	479,639	†110,494

*After bond int., taxes and deprec.
†Surplus for 1926 carried to capital stock. Value of common stock increased by this amount.

Why Equipment Companies are Making Money



Steel is replacing wood in freight services. This in part accounts for the increased earnings of the equipment companies. This is what the new type of steel box car looks like. Upwards of 7,500 of these cars have been ordered by the Canadian Pacific Railway alone. This car will carry 2,000 bushels of wheat or 120,000 pounds of freight.

Board of Customs is Now Supreme Court of Commerce

Comprised of Government Officials It Has Wide Powers in Ruling Upon Customs and Excise Taxes

From Our Own Correspondent

OTTAWA.—The Federal Board of Customs is one of the most remarkable tribunals in existence to-day in Canada.

No doubt the needs of commerce may require some autocratic body able to give speedy and permanent decisions on important matters affecting the tariff and the sales tax, but there will be general interest in the origin and functions of what is, in fact if not in law, a supreme court of commerce from which no appeal, as yet, has been made successfully.

As to the composition of the board, it comprises a group of five distinguished government officials. They are: R. W. Breadner, Commissioner of Customs; C. P. Blair, Assistant Commissioner of Customs; C. W. Walters, Commissioner of Income Tax; G. W. Taylor, Commissioner of Excise; and J. A. Russell, Tariff Advisor, Department of Finance. In charge of the office of the board is W. Ide, formerly private secretary to a long line of ministers of customs, and one of the ablest of the younger men in the National Revenue department.

Difficult Job to be Done

It will be easier to explain the function of the board if the administrative problem of which it was the solution, is exposed. Perhaps no one, other than a government official, realizes how difficult a task it is to administer a tariff or tax of any kind. A tariff is particularly difficult because it provides specific or ad valorem duties on commodities and, unfortunately, these commodities are continually changing and losing their identification. There are exactly 1,214 items in the Canadian tariff but these items apply to at least one million separate and distinct articles which are imported, from time to time, into this country. Moreover there are inventions appearing all the time; there are old articles being brought up to date; and there are new articles which represent a fusion of several older ones. Perhaps 100 times each day the customs department is presented with a difficult problem to solve. An article is imported and upon examination it is found to differ slightly or fundamentally from any article ever before imported. Two questions arise at once. Is the article dutiable under the Canadian Customs Act? and if so, under which tariff item. These are worrisome questions and much depends upon their being answered correctly. If articles are permitted to enter Canada, through departmental incompetence, under lower duties than the tariff in reality provides, then domestic industry is being injured. If the department charges a higher tariff than ought to be charged, then the Canadian consumer is suffering an unwarranted and indefensible injustice.

What is Fair Market Value?

Then again, the tariff is supposed to apply to the fair market value of the imported article "in the country of origin." That is to say—there must be no dumping. Foreign manufacturers must not ship to Canada at prices lower than they sell to their domestic customers. As has been said, the statute strives to prevent dumping by declaring that duties are to be levied upon the "fair market value in the country of origin." But what is the fair market value? There may be a wide variation at any given time in the price of a particular article in the United States. The price in California may be higher than in Illinois and still higher than the price in New York. There may be even wider variations in price as between Florida and North Dakota. Who is to say which price represents the fair market value?

Turning from tariff matters to the field of domestic taxation, somewhat similar problems will be found. There are several score of exemptions from the sales tax, for instance, and every single exemption presents a difficult problem of administration. One example will suffice. On July 1, 1924, parliament exempted "lard compound and similar substances" from the tax, either when sold or imported. There are about 50 commodities on the market which are represented to be either lard or similar substances and more appear from time to time. But are they entitled to the tax exemption? Are they similar substances? What, exactly, is lard? Who is to decide these important questions.

This is the problem which arose when tariff and other direct forms of taxation were born. In the old days, no doubt, it was a simple problem, but in the complex industrialism of the 20th century it is one of very great importance to the commercial well-being of a country.

The problem in Canada was attacked in this way.

First, there was need of an immediate decision every time a question of this kind arose. Therefore the customs officials — appraisers and others — were instructed to decide all doubtful points and to apply the Customs Act promptly. In this way, goods can move freely into the Dominion and not be delayed interminably while searches are carried into the origin and purpose of various articles or commodities.

Second, it had to be recognized, however, that no government department could build up a service so efficient that the scores of appraisers and thousands of officers would be able to deal with these difficulties without making frequent errors. Obviously a man clever enough to do these things would not long be an appraiser or a collector.

Third, in order to provide some machinery to correct these errors and to lay down rulings to govern future policy, a tribunal was required.

Board Makes Decisions

At first the Minister of Customs acted the part of referee between the department and the public, but the extent of the work and the technical difficulties surrounding each problem soon made it advisable to have a board and so the Board of Customs came into existence. The statutory authority upon which the board rests is found in section 3 of the Customs Act which declares: "There shall be a Board of Customs." The duties assigned to the board will be found elsewhere in the statute. In regard to disputes as to the particular item of the tariff which should apply to any imported articles, the law is found in section 54; "Whenever any difference arises or whenever any doubt exists as to whether any or what rate of duty is payable on any class of goods, and there is no previous decision upon the question by any competent tribunal, binding throughout Canada, the Board of Customs may declare the rate of duty payable on the class of goods in question or that such goods are exempt from duty." In regard to questions of fair market value in foreign countries, the reference is in section 4: "The Board of Customs may review the decision of any appraiser or collector as to the principal markets of the country, or as to the fair market value of goods for duty purposes."

The powers of the board in the administration of the sales tax are equally clear and unmistakable. The reference here is to be found in the 1918 amendment to the Special War Revenue Act: "Whenever any difference arises or whenever any doubt exists as to whether any or what rate of excise tax is payable on any article and there is no previous decision upon the question by any competent tribunal binding throughout Canada, the Board of Customs may declare what the duty paid value of such article is or what the price of such article is as the case may be, and what amount of tax is payable on the article in question, or that such article is exempt from the tax."

The powers of the board, therefore, are very wide and its rulings are exerting an ever increasing influence on Canadian domestic and foreign commerce.

No Regular Meetings

How does this board function? To begin with there are no regular meetings. From time to time as a number of appeals accumulate, a meeting is called and the business is cleared away. At these meetings the five government officials who comprise the board, figuratively speaking, shed their robes of office and sit in judgment as members of the Board of Customs. They frequently are reviewing decisions given by themselves in humbler capacities. Technically the hearings are said to be open to the press or interested parties but curiously enough, there has never been an occasion when representatives of the press desired to attend.

Almost every case arises by way of an appeal from a decision of an officer of the department and the individual or company asking the appeal has the right to appear before the board either in person or through counsel and argue the point at issue. However the board does its thinking in private and its rulings are published without supporting argument or explanation.

Appeal is to Cabinet

The board, therefore performs very important judicial functions and since the best of courts is not free from error, considerable interest centres upon the provision in the law for an appeal from the board's decision. The appeal clause in the Customs' Act is a rather curious one inasmuch as it appears to provide an ample check upon the board but in fact is ineffective. The reference is in section 54 of the Customs' Act: which provides that the "declarations" or decisions of the board are subject "to an appeal within sixty days from date of such declaration by any person interested, to the Governor-in-Council; and any such declaration of the Board of Customs when approved by the Minister of National Revenue after the expiration of sixty days from the date thereof, or any such declaration when made by an order-in-council upon appeal, shall have force and effect as if the same had been sanctioned by statute." Insofar as the sales tax is concerned, the Special War Revenue Act does not provide for any appeal from the decisions of the board.

The Governor-in-Council, or the cabinet is an elective body, responsible to the people, whose acts are reviewable by the citizens at large. But in the very nature of things, an appeal of this kind cannot be effective. The question at issue in such matters is always of a highly involved and technical character and in order to understand it a man requires either to have leisure for study or special training over a period of years. Cabinet ministers, immersed in matters of policy and in the arduous labor of administering a department, being also perpetually distracted by political and social matters, are quite incapable ever of coming to grips with such questions as these. In fact the attitude of a cabinet could not be other than one of thorough going support of the board, except in cases where important political considerations were involved.

This then, is the nature of the supreme court of commerce which functions in Ottawa. It was called into being by a real need for a referee between the public and the tax collecting officials of the government, the latter of whom largely make up the board itself. Whether it is holding the scales evenly as between the two is a matter of individual opinion, upon which, conceivably, there might be some conflict of view.

PAPERMAKERS REACH ACCORD ON $55 PRICE?

Only Signatures on Dotted Line Are Now Required

HEARST SATISFIED?

May Buy All His Newsprint on One Price Basis — Permit Increasing Price Paid to International

From Our Own Correspondent

MONTREAL. — The newsprint negotiations appear to be shaping up to the satisfactory conclusion of $55.50 a ton for all the mills. The various interests involved seem to have just about adjusted all the details which will permit the maintenance of prices at this figure during 1929. An official announcement is expected next week.

Those representing the Canadian newsprint companies seems to have prevailed upon William Randolph Hearst to pool his contracts and to pay all the mills from which he purchases newsprint a uniform price for paper. It is understood that such a price would figure out at about $55 or $55.50 a ton.

For a month and a half, the leaders of the Canadian newsprint industry have been laboring to leap the hurdle interjected into the newsprint race by International Paper when that company closed a large, long-term contract with Hearst at about $51.75 a ton.

On a One Price Basis

If Hearst had obtained his paper at that figure for 1929, all the other publishers—who are all Hearst's competitors—would have immediately demanded the same price. Indeed, International Paper pledged its word to its customers that it would sell only on a one price basis to its customers in 1929.

Hearst obtains his newsprint from sources other than International. He also has contracts with companies such as Lake St. John and Anglo-Canadian. It is thought that these and other producers selling to the Hearst sheets will lower their present contracts, whilst Hearst will in turn pay International the higher figure.

It is said now that virtually all the details of this involved scheme have finally been completed; that the contracts have been drawn up; and that, eliminating some last minute hitch, all that remains is to obtain the signatures on the contracts between the various interests involved.

Will Not Suffer

The only producers which appear to suffer by such an arrangement are those mills which have been selling under contract to Hearst at higher figures. No doubt they can be compensated. They might, for instance, be permitted to operate at a greater scale of capacity than the other mills.

During the eight weeks of negotiations a complete accord has almost been reached before. A week or two ago, the announcement of 1929 prices was expected momentarily, but some details interfered with the consummation of an agreement on price.

While it is possible, of course, that the cup may again slip before it reaches the lip of an agreement, the outlook seems to indicate surely that some accord among the producers and Hearst has finally been reached.

During the negotiations, there has been little real information forthcoming from any really informed source on the progress which was being made. Newsprint executives themselves all hesitated to be at all optimistic touching the possibility of maintaining prices above the level which International expected to set by making its now famous $52 contract with the largest U. S. consumer.

Are Now More Hopeful

Now the newsprint men are all much more hopeful of maintaining a price this year which will at least permit the companies to operate without running into the usual financial difficulties which face any industrial organization when prices are at, or near cost price.

If $55 a ton be the price this year, International Paper would gain as much as any of the other newsprint producers. The International management has had no hand in the negotiations with Hearst. That company arranged its contract with the big publisher and intended to stick by it. Negotiations have been conducted between the other mills and Hearst.

Following the more general expectation that the $55 price would prevail this year, the newsprint shares, at least some of them, have shown much greater strength and stability marketwise.

From an investment angle, though, these more favorable developments are perhaps not quite as significant as they seem for the medicine, which the mills have taken to avoid trouble, acts only on the symptoms of the disease and not on the cause of the trouble which is singly and solely the over-expansion of the industry.

Future Outlook

The future of the industry depends entirely on the ever-changing ratio which exists between the capacities of the mills and the demand for newsprint in the U. S. foreign markets help the situation to an extent, but foreign business is not very profitable.

Consumption of newsprint is growing in the U. S. But the capacities of the Canadian mills are also being increased, perhaps more than proportionately. In the meantime, the newsprint stocks may or may not be good purchases. It seems certain that for a long pull—and this is really the only way in which money is made on investments—the newsprint stocks will only become a really attractive purchase when the consumption at least shows signs of beginning to catch up with the ever increasing capacities of the mills.

In the meantime, the negotiations between the various newsprint interests are certainly to be construed as a constructive development. It is more than possible that the cure which is being tried will eliminate many of the pains which always arise in an over-expansion period and may — very probably — tide the patient over until the disease has run its course and the patient is once again on the up grade.

Summary of Operations of International Petroleum

Production in Past Years

	Colombia	Peru	Total
1921	66,480	2,852,006	2,918,486
1922	322,598	4,388,944	4,711,542
1923	424,876	4,637,112	5,061,988
1924	444,743	6,476,660	6,921,403
1925	1,006,707	7,347,610	8,354,317
1926	6,443,540	8,632,106	15,075,646
1927	15,002,175	7,768,139	22,770,314
1928	19,895,677	9,505,720	29,399,397

	Peru During December	Colombia During December
No. of producing wells completed	16	10
Average initial production	201 bbls.	769 bbls.
Average No. of rigs in operation	55	15
Total crude production	887,611 bbls.	1,695,040 bbls.
Total crude shipments	360,528 bbls.	1,445,106 bbls.

Comparison of Colombian Operations, 1927 With 1928

	1928	1927	Increase or Decrease
No. of producing wells completed	115	86	+33.73%
Average initial production	843 bbls.	1,139 bbls.	—25.99%
Average No. of rigs in operation	15	14	+ 7.14%
Total crude production	19,895,677 bbls.	15,002,154 bbls.	+32.61%
Total crude shipments	17,989,504 bbls.	13,605,448 bbls.	+32.20%

Comparison of Peruvian Operations, 1927 With 1928

	1928	1927	
No. of producing wells completed	147	124	+18.54%
Average initial production	218 bbls.	189 bbls.	+15.34%
Average No. of rigs in operation	49	48	+ 2.08%
Total crude production	9,503,720 bbls.	7,768,139 bbls.	+22.34%
Total crude shipments	3,823,231 bbls.	3,270,150 bbls.	+16.91%

Current Production for Peru

Peruvian average daily production for month of January	27,003 bbls.	
Peruvian average daily production for month of December	28,633 bbls.	—5.7%

INTER PETE OIL OUTPUT GROWS 29%

Figures For Year 1928 Show Production Up 7,000,000 Barrels

SHIPMENT CURTAILED

Peruvian Increase Less Than Addition to Production, Awaiting Heavier Demand for Crude

International Petroleum Co. produced 29,399,397 barrels of crude oil in Colombia and Peru in the year 1928, according to official figures which have just come to hand. This compares with 22,770,314 in the previous year, an increase of 29 per cent. The 1927 production was 51 per cent. ahead of the production for 1926.

While shipments lagged behind production considerably in 1928, the increase in shipments was 29¼ per cent. over the previous year. International Petroleum has about reached the limit of shipments from Colombia until such time as the pipeline is enlarged beyond its present actual capacity of 55,000 barrels daily, but Peruvian production and shipments could be speeded materially if there were a better demand for crude oil throughout the world.

Actual production in the two fields of operation of International Petroleum is within 200,000 barrels of the estimate made a month ago by The Financial Post.

Shipments Curtailed

Some curtailment in shipments is indicated in the figures just made available for December. While Colombian production was up slightly from the previous month, shipments were lower by 100,000 barrels. No figures have been published as to Peruvian shipments in November, but the December shipments were materially less than the October shipments, the amounts being 650,819 barrels and 360,528 barrels respectively. In January, the average daily production in Peru was 27,003 barrels, which is a reduction from 28,633 barrels, of 5.7 per cent.

Peruvian production was up 22 per cent. in 1928 over 1927 but shipments grew by only 16.9 per cent. Increase in consumption within the country may account for some of this difference. The figures are given in detail in an adjoining column.

Muirheads Increases Size of Restaurant

Muirhead's Cafeterias, Toronto, is enlarging the Bay street restaurant by the addition of a dining room. This new room will help to accommodate the extra business at rush hours and will increase the capacity of the restaurant by nearly one-third.

The restaurant, and the cafeterias on Yonge, Queen and Adelaide strets, Toronto, are all reported to be doing excellent business.

Waterloo Trust Adds to Capital

The Waterloo Trust and Savings Company with head office at Kitchener, Ontario, have recently decided to increase the paid-up capital of the company to $1,000,000.

Shareholders have received notice of the issuing of the additional 2,500 new shares at $125 a share with a par value of $100, which will bring the present paid-up capital of $750,000 to $1,000,000. The issue has already been subscribed.

Canadian Vickers

Canada is now one of the leading industrial countries of the world. Our trade figures show considerable improvement over former years. We are now living in a prosperous era.

The Preferred Stock of the above Company offers an attractive medium for the investment of funds where security and possible enhancement of capital are the leading factors under consideration.

Further information on request.

DRURY & CO
MONTREAL

360 St. James Street — HArbour 1254

Announcement---

S. A. TAYLOR & CO. LIMITED wish to announce that they have purchased the Stock Brokerage business of

J. C. RUSE & CO. LIMITED

which will be continued under the name of

S. A. TAYLOR & CO. Limited

8-10 King Street West, Toronto
Phone Adel. 9411
Branch Office, 46 Temperance St. Adel. 2082

We own and offer

50,000 Shares

Southwest Petroleum Company
Limited

Head Office and Transfer Agents:
The Company's Office, Imperial Oil Building, 56 Church St., Toronto, Canada

CAPITALIZATION

	Authorized	Issued
Common Shares of no par value	1,000,000	500,000

HISTORY—The Southwest Petroleum Company, Limited, was incorporated December, 1928, by Charter of the Dominion of Canada.

Southwest Petroleum Company, Limited, is being developed by the Foothills Oil and Gas Company, Limited, which in turn is a subsidiary development company of the Imperial Oil, Limited. The Company has issued a proportion of its capital stock now being offered to owners of petroleum leases in Turner Valley in exchange for such leases.

PROPERTIES—The Company has acquired and has under option in the Turner Valley oil field of Alberta, Canada, 640 acres of oil and gas rights in perpetuity selected by the Company's geologists. The Company has a very satisfactory contract and sufficient funds to develop this property, and development program is now under way.

SECURITY—The Company has only one class of stock, common shares of no par value. No shares have been issued by the Company for goodwill, commission or promotion. The unissued shares remain in the Company's treasury for the purpose of further financing or development as occasion warrants.

MANAGEMENT—Southwest Petroleum Company, Limited, will be controlled and directed by the officials of the Imperial Oil, Limited, through its subsidiary.

The above shares are offered at a price of $2 per share if, as and when issued.

Orders will be received by us subject to allotment.

Southwest Petroleum Company, Limited, shares at the above price are recommended as a good speculation.

Doherty-Easson Company, Limited
Commonwealth Building, 21 King Street East
TORONTO 2

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable.

Insurance for Buyer and Seller

INSURANCE PROBE MAY FORM BASIS OF RATE-CONTROL

Ontario Government Will Not Take Action Without Report

The proposed inquiry by the Ontario government into the recent increase in automobile insurance rates, according to Col. W. H. Price, attorney-general of Ontario, will form the basis for future legislation having fundamental supervision of rates as its object. It is not expected that anything can be done about the recent increase in automobile rates, which gave rise to the question.

Under the Insurance Act, the superintendent of insurance of Ontario is given power to call for the filing of rates by rating bureaus and licensed insurers. It has been found by the attorney-general's department, that this section did not give power to the insurance department to control rates in any way except when such rates could be shown to be unfairly discriminatory. "As the increase is general throughout Canada," the attorney-general said, "the Ontario government cannot consider it discriminatory and the section of the act is not applicable."

Since Justice Masten's report of his inquiry into the increased fire insurance rates, completed some years ago, governments have steered clear of attempting to control insurance rates, even though legislation giving the insurance department this power was recommended in the report. Col. Price stated, however, that his department was not prepared to rush right into the supervision of rates, but merely wished to get the power to demand the filing of statistics showing how or why any increases or scales of rates were justified. With this information at hand, the work of the department, in securing as low a rate for the public as was possible, would be greatly assisted. Also the clause mentioned above, regulating discriminatory rates, would be made more effectively operative.

Wants Rate Regulation

One official of the Ontario department of insurance, interviewed by The Financial Post, was frankly in favor of direct supervision of rates by the department. The plan outlined by this official was for a system of rate-regulation similar to that conducted in the railway, telegraph and telephone fields by the Dominion Board of Railway Commissioners. Many of the state governments in the United States have this power, he asserted.

The principal argument put forth in support of this belief was the statement that the insurance business was in a peculiar position. The companies had to form themselves into a combine to gather information and to evolve an equable schedule of rates. As a combine without supervision, a dangerous situation could without doubt evolve, he felt.

When Justice Masten's report was published, it carried a recommendation that—"The Canadian Fire Underwriters' Association, although a combine which generally controls the premium rates in Ontario, should not be abolished or hampered in its legitimate work, but as a combination ought to be fully subject to supervision and control by the state." The official quoting the report stated that Judge Masten had been appointed under almost similar circumstances as those under which the proposed inquiry is to be made and his report is therefore applicable to the present situation in the automobile insurance field.

Let Ontario Do It

Judging from the attitude of the attorney-general's and the insurance departments in Ontario, it is apparent that the government's real plan behind the inquiry is to secure the rate-making statistics which the companies use. It is also evident from the fact that Ontario first announced its intention of making an inquiry and that the governments of the other provinces have since said nothing, that it is quite likely Ontario will be left to do the work. After viewing the results in Ontario, it is probable that the other provinces will take similar action to that taken by the Ontario government after the report is in.

Motor League Objects

Since the insurance companies announced their intention of raising the rates, the Ontario Motor League has been following developments closely and bringing pressure to bear to combat the move. When the League held its annual meeting Monday last, the retiring president, R. A. Stapells, voiced the position of the League in the following terms:

"We are, to some extent, precluded from discussing the subject at this time because it is, as it were, in the hands of the court. Hon. Mr. Price has announced that the appointing of a commission to investigate whether the 50 per cent. increase is justified, and it would be presumptuous for us to start an investigation when the government is going to do it for us. So, in the meantime, we will wait until the government has investigated it.

"We may ask for representation on the commission, and we think we should have it. We do feel it is one of the most important matters we are going to have for discussion during the year, and we may call a special meeting to discuss it."

Another Minister Speaks

Hon. George S. Henry, minister of highways and public works, at the motor league meeting, also made some reference to this topic.

"Your president," he said, "referred to the increase in motor insurance, and the government have promised to have a careful study made for the reason that these rates were raised with the idea of seeing whether they were justified; and just here let me say that the league can do a great deal just along the line I have been speaking in keeping down insurance rates by developing more generally, than we have thus far, sanity in driving, for when we insure our cars we are paying for service, and that service will tend to rise in cost if the accident and damage claims go on increasing. If we get more sanity in driving, I think you can look to the province to see that insurance rates do not increase. Therefore, I look to you as an organization to do all you can to keep the cost of insurance down."

Impartial Tribunal

It was the original intention to have R. Leighton Foster, superintendent of insurance at Parliament Buildings, make the report, but his authority does not permit inspection of the insurance companies' books to determine whether or not their automobile insurance business has been carried at a loss, which they claim has been the case for some years past. Mr. Price, therefore, had no recourse but to resort to the appointment of an impartial tribunal, which will investigate and hear any representations from protesting bodies, which include, beside the Motor League, the Canadian Manufacturers' Association and the Toronto Board of Trade. Pending the commission's findings, the increased rates will obtain.

In announcing the commission, Mr. Price made the following statement:

"It cannot be said that the insurance companies adopted the correct method in making this increase in rates. It would have been very much better if they had come forward six months ago and placed their case before those in charge of insurance in the various provinces throughout Canada so that if an increase in rates were necessary the superintendents of insurance would have had an opportunity of investigating and ascertaining whether such rates were justified. The fact that they have not done so forces the government at this juncture to investigate. To a great extent, it puts the companies on the defensive.

"On the other hand, the average citizen must remember that fire insurance rates have been reduced this year and that casualty insurance rates have been steadily going down since 1924. They have accepted these reductions probably without sufficient gratification. There is always a tendency to minimize reductions and accentuate increases."

The attorney-general went on to stress the need of building up big, sound insurance companies similar to those in Great Britain, which were, he said, noted throughout the world for their stability. He felt that nothing should be done which would in any way undermine the strength of the Canadian companies.

New President

George W. Allen, K.C., president of the Great West Life Assurance Company, has been chosen president of the Beaver Fire Insurance Company at Winnipeg. Mr. Allen had been vice-president of the company since its inception in 1914. He is also a member of the London committe and chairman of the Canadian committee of the Hudson's Bay Company. Mr. Allen is senior partner of the legal firm of Munson, Allen, Laird, Davis, Haffner and Hobkirk, in Winnipeg.

GREAT WEST LIFE HAD GOOD YEAR; ASSETS INCREASE

Income From All Sources During 1928 Was $27,000,000

With over $80,000,000 of new business written during 1928, the annual report of the Great West Life Assurance Company, presented at the recent annual meeting held in Winnipeg, reveals a highly successful year for the company.

The total business in force is now well over the half-billion mark, the figure being $547,000,000. This constitutes somewhat of a record in Canadian insurance for such an amount to be produced by a company only 35 years old. The income for the year was nearly $27,000,000, of which the premium income accounted for over $18,000,000.

Increases are also shown in the company's special reserves and gross surplus earnings, providing a wide margin of safety over and above the policy reserves of $81,750,000 and all other liabilities. The total assets of the company are now more than $107,000,000. The company's bond investments total approximately $40,000,000.

The liabilities, including the provision for future profits to policyholders, amount to a little over $104,000,000. Assets, totalling $107,000,000, give an unassigned surplus of more than $3,100,000.

The following table gives comparative figures:

	1928	1927
New business	$80,748,191	$75,391,761
Business in force ..	547,461,360	502,544,842
Assets	107,261,626	94,909,288
Total income	26,674,980	23,902,307
Premium income ...	18,327,862	16,706,216

CROWN LIFE PASSES $100,000,000 MARK

New Policies Issued in Past Year Total $29,600,000

A year of financial progress was shown by the annual report of the Crown Life Insurance Company in the annual meeting held in Toronto during the week. According to the report, the insurance in force for 1928 had passed well beyond the $100,000,000 mark.

New policies issued totalled over $29,600,000, bringing the total in force to more than $105,700,000. This is an increase of more than 20 per cent. over the previous year. The assets of the company were shown as nearly $2,000,000 greater last year than in 1927. The average rate of interest earned on investments was 6.43 per cent. Less than one-fiftieth of one per cent. of all invested assets was the figure for interest due and unpaid. The total income from premiums and interest for the year was in excess of $4,000,000.

During 1928, total payments to policyholders and beneficiaries amounted to over $1,000,000 and the policyholders' reserve was increased to bring the total statutory reserve up to $10,500,000. Payments by way of death claims were said to have been lower than those of the previous year. This was looked upon as representing a more favorable mortality rate, having regard to the increased number of policyholders.

Sir Robert Borden, president of the company, in moving the adoption of the directors' report, expressed satisfaction with the general business conditions in Canada during the past year and referred briefly to the necessity of using natural resources so as to provide the largest volume of profitable employment, and so stem the tide of emigration which had taken place in past years.

The board, as constituted, was re-elected for the ensuing year. Sir Robert was chosen president recently in place of the late Victor Cawthra, Grant Hall, vice-president of the C. P. R., was also added to the board recently.

Insurance Inklings

W. B. LOWRY, of Saskatoon, has been appointed superintendent of agencies for the Western Canada division at Winnipeg of the Insurance Co. of North America and affiliated companies.

A license to transact business in Canada has been issued to the General Casualty Company of America. The company's chief agent will be C. A. MANLOVE, of Vancouver. The company will write automobile and plate glass insurance.

By license issued recently, the Dominion Fire Insurance Company is entering the plate glass field.

Indemnity Insurance Company of North America will write livestock insurance in future, a license to add this class to its business having been received.

The Dominion Superintendent of Insurance announces that a license has been issued to the Employers Reinsurance Corporation authorizing it to transact business in Canada. The company will write employers' liability and property damage and public liability for damage caused by vehicles. A. E. DAWSON, of Toronto, is the chief agent for the company in Canada.

The five leading producers of the London Life up to the middle of January were C. D. SCOTT, Southern Alberta; W. ADDINALL, Chatham, Ont.; H. E. GROOM, Toronto, Ont.; RAY ATKIN, Belleville, Ont.; and L. H. BARNES, Southern Alberta.

SAM OLIVER, of Kitchener, has been chosen president of the Kitchener-Waterloo Life Underwriters' Association.

VICTOR COPLEY has been elected to the board of directors of the Winnipeg Life Underwriters' Association.

T. O. ROBINSON, formerly of London Special canvassing staff of the London Life, has been appointed superintendent of the Toronto Yonge branch of the company.

C. MEAD, manager for South Saskatchewan for the Canada Life, has been elected a member of the executive committee of the Regina Life Underwriters' Association.

The Cape Breton Life Underwriters' Association has elected the following officers: President, J. H. R. MORRISON, Manufacturers' Life; vice-president, REG. J. McNEIL, Canada Life; secretary-treasurer, JOHN SKINNER, London Life; executive committee, H. A. LYNDS, North American Life; Y. L. EARLE, London Life; E. M. BOYD, Sun Life, for Sydney, and G. R. DILLON, London Life, for Glace Bay.

M. J. COMANS, United States manager for the Queensland Insurance Company, has been appointed inspector for North America, with jurisdiction over Canada and the United States. He will continue as manager for the United States in addition to his new duties.

Fifteen agents of the Crown Life Assurance attended the company convention for South Saskatchewan held recently in the Saskatchewan Hotel at Regina.

At the twenty-second annual meeting the Kingston branch of the LIFE UNDERWRITERS' ASSOCIATION of Canada, these officers were chosen: President, Archibald Thompson; vice-president, Benjamin Robertson; secretary-treasurer, G. L. Carpenter; executive committee, M. G. Johnson, Percy D. Stevenson, Don Roughton, B.Sc., Jack Day and J. B. Cooke.

FARMERS' MUTUAL CO. YEAR IS EXCELLENT

Portage la Prairie Organization Shows Progress

The Portage La Prairie Farmers' Mutual Fire Insurance Company, holding the annual meeting of the company at Portage La Prairie recently, showed an increase of $82,000 in total assets. The company's assets are now more than $1,398,000, which is a surplus over liabilities, according to the report, of about $1,372,000.

Purchases of government bonds and securities for the year approximated $60,000, which brings the company's holdings up to $372,500. The total business in force at the end of the fiscal year amounted to $67,223,000. In 1928, fire claims were about $600 heavier than the previous year, but losses from lightning and wind were somewhat heavier.

The company is making a campaign against preventable fires and Stratton Whitaker, general manager, took advantage of the opportunity presented at the meeting to point out the almost unbelievable proportion of fire loss that could have been prevented. An interesting point brought out at this discussion was the statement that a new and grave menace has been created in Western Canada with the coming of the combines from the burning of stubble where they have been used. Investigation during the year was reported to have shown that 80 per cent. of the fires were due to carelessness and should not have occurred.

PREMIUMS INCREASE FOR HAIL COVERAGE

No More Policies Placed by 'Phone, Companies Decide

No longer will it be possible for the farmer, when he sees a hail-storm coming, to telephone a hail-insurance company a hundred miles away and put a good insurance on his crops. The Canadian Hail Insurance Association, which writes approximately 85 per cent. of the hail coverage in the Dominion, has decided that no application will be accepted by the associated companies unless made in writing. It has been found that this practice cost insurers too much in the past.

In addition to this, the association, at the annual meeting held in Montreal recently, decided that higher rates for hail-insurance were necessary if the companies writing this class of risk were to continue in business. According to the chairman of the association, W. J. Willcox, the associated companies wrote nearly $7,500,000 of hail business last year. The losses sustained by these companies exceeded $3,000,000 during 1928.

The companies making the increase explain that it is not being made on the basis of the losses incurred during the past three years, all of which were heavy, but that an average of the whole 60 years or so during which hail insurance has been in existence.

In the province of Saskatchewan, where losses have not been so heavy, the increase over the whole province will be in the neighborhood of 7 per cent. over last year. In Alberta, losses having been much heavier, the general increase will total slightly over 20 per cent.

The increases are, of course, different according to the nature of the hazards in different districts. For example, one district in Saskatchewan was reduced in rate. The districts in Saskatchewan where an increase is made had rates from 4 to 12 per cent. in excess of last year's, while in Alberta the increases ran from 5 to 25 per cent. of the former rates.

The officers of the association for the ensuing year, elected at the meeting, were: John Wilson, Winnipeg, president; W. J. Snadden, Calgary, vice-president; W. J. Willcox, Winnipeg; W. H. Hurd, Winnipeg; A. K. Olive, Regina; and G. F. Mitchell, Winnipeg, executive members. H. H. Campkin, of Regina, was chosen as secretary-treasurer.

WESTERN ASSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1851

The PIONEER INSURANCE COMPANY
Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER, Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office: WINNIPEG - MANITOBA

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Assets $4,396,000.00
HEAD OFFICE FOR CANADA—HAMILTON, ONTARIO
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Calgary, Winnipeg, Montreal, Saint John, Halifax and Charlottetown.
Writing Fire Insurance at Cost
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE

MILL OWNERS MUTUAL FIRE INSURANCE COMPANY
Assets—$2,704,909 OF IOWA Surplus—$1,282,787
GENERAL CLASSIFICATION OF BUSINESS TRANSACTED
POLICYHOLDERS' DIVIDEND RATE 25% TO 30%
Seneca Jones & Son, Hamilton, Ont.—Canadian General Agents

The CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office - Winnipeg, Man.
E. F. HUTCHINGS, *President*
HENRY SANDISON, *1st Vice-President and Managing Director.*
T. S. MCPHERSON, *2nd Vice-President.*
Applications for Agencies Invited

Canadian Government ANNUITIES

Attention of investors is called to the yield guaranteed by contracts for life annuities issued by the Canadian government. Contracts may be purchased whereby the annuity is payable for life and for 10, 15 or 20 years in any event.

The number of contracts being sold each year is steadily increasing. The Government Annuity System is provided at cost, all administration expenses being met by the Government. The income from an annuity is free from Federal Income Tax and cannot be seized or levied upon by any law or court. All persons between the ages of 5 and 85 may take advantage of the System. No medical examination is required.

Illustration of yield at various ages for male lives.

55	..	8.4%
60	..	9.6%
65	..	11.2%
70	..	13.5%
75	..	16.7%

Descriptive booklet may be obtained free of charge by calling at the nearest post office or by writing to the Superintendent of Annuities, Department of Labour, Ottawa, Ontario.

Superintendent of Annuities
DEPARTMENT OF LABOUR
Ottawa - Ontario

S. H. HENDERSON, President — C. M. VANSTONE, Managing Director — E. L. McDONALD, Treasurer
Registered with Department of Insurance, Ottawa
Operating in Manitoba, Saskatchewan, Alberta, and British Columbia
THE WAWANESA MUTUAL INSURANCE CO.
Canada's Largest Fire Mutual
FIRE LIGHTNING WINDSTORM
Insurance in force over $150,000,000.00 Assets over $ 2,500,000.00
We are now accepting business in Cities and Towns.
Write us for your requirements.
THE WAWANESA MUTUAL INSURANCE CO., Wawanesa, Man.

PRUDENTIAL
ASSURANCE COMPANY LIMITED *of* LONDON, ENGLAND
Assets Exceed $1,000,000,000
Licensed for Fire and Casualty Insurance
Investments in Canada Exceed $35,000,000
Head Office for Canada: 460 St. John St., Montreal
BERNARD HUMPHREY, Manager for Canada
North West Branch: Huron & Erie Building, Winnipeg
Toronto Agency: Parkes, McVittie & Shaw, Confederation Life Bldg.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$94.000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

What the Ontario Equitable Did in 1928

Income, $1,510,673
During the past year the Company increased its Income by 15%. The Premiums received from Policyholders rose to $1,071,268 and Interest and other Income to $439,405.

Disbursements, $741,916
The Company disbursed $741,916, including $176,094 paid to Beneficiaries for Death Claims and $130,984 paid Policyholders for various purposes.

Assets, $5,230,373
Assets show a substantial gain to $5,230,373. These consist principally of high-grade Government and Municipal Bonds $1,374,647, Mortgages $2,783,365 and other Investments in first-class securities.

Liabilities, $4,400,633
83% of the Company's Liabilities are to its Policyholders. During 1928, the Company set aside an additional $650,678, making a total of $3,643,725, which is a Reserve to protect its Policyholders. Should the Company never write another policy, its Reserves are calculated to meet maturing claims as they occur.

Capital and Surplus, $829,740
The Capital and Surplus, which combined amount to $829,740, offer additional protection to Policyholders. The Surplus of $345,600 (increased over 1927) indicates the sound, healthy condition of the Company's business.

Insurance in Force, $40,110,307
During 1928, Insurance written and revived was $8,040,435, bringing the total in force to $40,110,307.

The mounting success of the Ontario Equitable is based upon public appreciation of its Low Cost (Non-participating) policies and their liberal provisions, and upon the efficiency of its aggressive management. Its 1929 program will effect a wide expansion of the Company's business.

THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
S. C. TWEED, President
HEAD OFFICE WATERLOO, ONTARIO
1B

Charles E. Otton, Ltd.
1818 Scarth Street, Regina, Sask.
General Agents, Fire, Automobile, Hail Insurance.
Applications for Agencies invited.

THE COMMERCIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE, EDMONTON
Sound as the Dominion
7.70%
was the Average Rate of Interest earned on assets for the year 1927.
For Agency Representation in Alberta and Saskatchewan apply at any of our offices—
EDMONTON CALGARY
SASKATOON REGINA

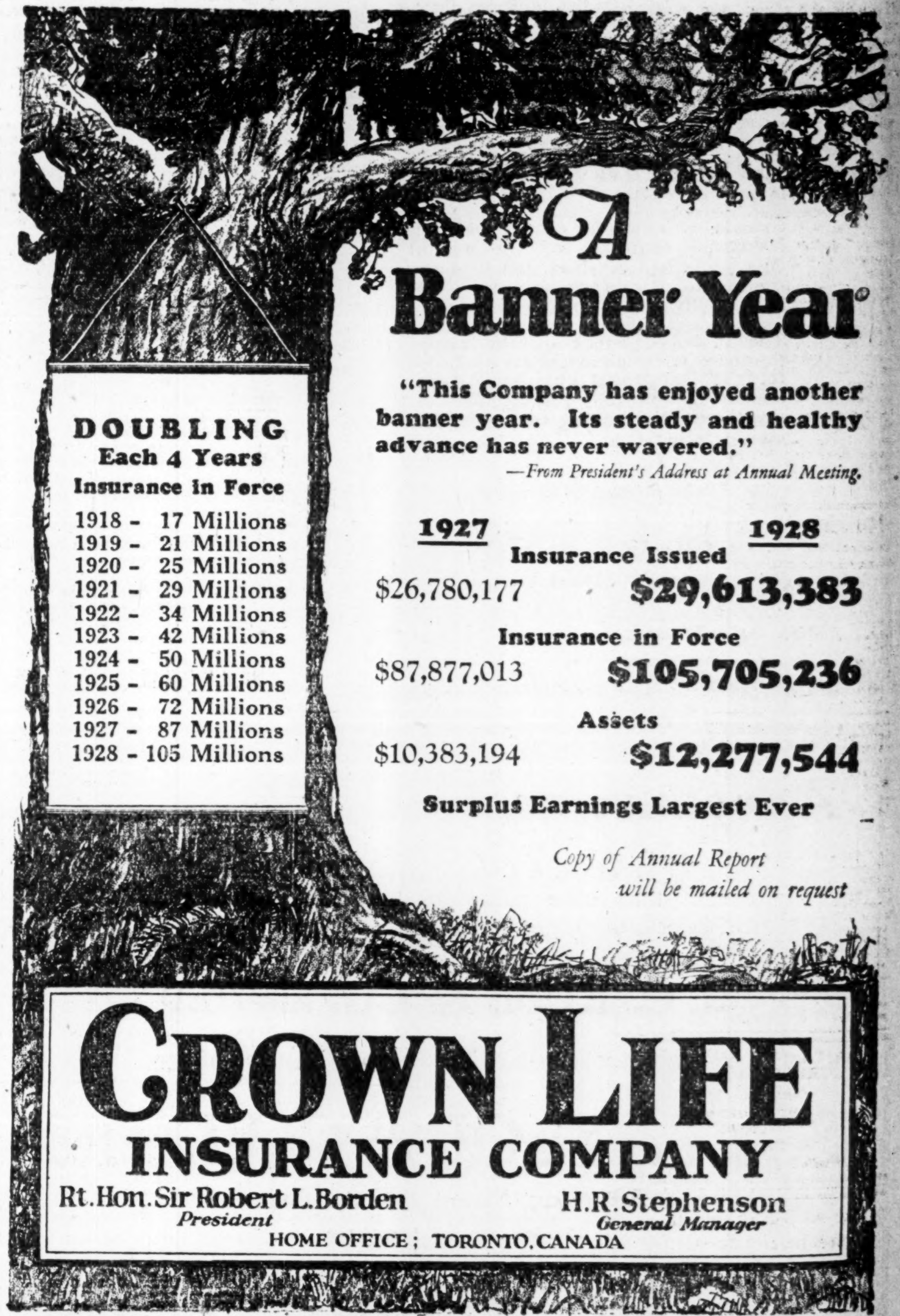
Annual Statement
(CONDENSED)
Year ending December 31st, 1928

New Business Issued - -	$ 80,748,191.00
Business in Force - -	547,461,360.00
Income - - - -	26,674,980.38
Assets - - - -	107,261,626.93
Liabilities - - - -	103,107,515.31
Gross Surplus Earned - -	5,446,849.50
Provision for Future Profits to Policyholders - - -	9,808,893.00
Unassigned Profits and Contingency Reserve - -	4,154,111.62

Assets over One Hundred Million Dollars

547 Million Dollars sheltering the homes of this continent and bringing peace of mind to over a Quarter of a Million Policyholders

THE Great-West Life ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG



Current Events in Banking World

BANKS COMPLAIN OF INDUSTRIALS IN MONEY FIELD

Say Surplus Funds Should Not be Loaned on Call

Highly-placed banking officials are again sounding a warning against the prevailing practice on the part of some industrial corporations of putting their spare funds on the call-money market. While frankly admitting that the banks have an interest in the matter, the bankers declare that such a procedure is akin to building on a shaky foundation.

While the practice is much more general in the United States than in Canada, the danger is likely to be greater in this country than in the Republic. This is largely due to the fact that in Canada call-money is not so readily callable as in the New York market, the bankers say.

The warning which the Canadian banks feel necessary is that the stock market cannot continue to hold its high level and that a period of deflation is due. In addition, the industrial progress going on and the programs of expansion planned and indicated by Canadian industries will call for a lot of money.

Money Called In

When an industrial house lends its surplus money on call and decides to build a new plant, or expand in a large way, the money is called in from loan. The broker whose loans are largely from this capital is thus forced to take over the loan himself. If he cannot handle it or the banks will not take it, he must call on his customers or clients to pay their margin balances. In many cases the clients have not the surplus funds to do this and must sacrifice their stock holdings. If such a condition became general, it is quite likely to have a serious effect on the market.

"An industrial corporation, calling in its loans, does not care much what happens to the 'other fellow.' They want their money, and go after it" said a bank official. "With a bank it is different. We can use discretion as to which of our loans we should call. It is in the interest of a bank that the borrowing clientèle be given as much consideration as possible. It is not necessary for an industrial corporation to worry over goodwill in the money market."

Brokers Claim Scarcity

As an offset to the warning by the banks comes the cry from brokers to the effect that they cannot get adequate supplies of call money. "It's all going to New York" seems to be the burden of their complaint. It is admitted, though, that call-money in Canada is more like demand-money, in that it is not as easily withdrawn by the lenders. Banks, in placing their call-loans, do not like to get too large a proportion of their assets placed where the loans cannot be recalled in short order. In the New York market, it is not uncommon for call-loans to be used for only a few hours. In Canada a call-loan is more like a loan such as is made to a maufacturer on inventories, stocks, and like security.

However, many people consider the warning not ill-timed. In fact, a number of banks have received requests from their clients that the bank lend the clients' money on call. "We invariably decline, even though good payment is offered for our services," a bank official told the Post. "If we did and a client had to call in his loans, or if the loans turned out shaky, the bank would have to take them over and the consequent increase in call-loans held would not be desirable. Of course, we would not be legally liable to take over the loans, but business policy would dictate it."

Dominion Bridge Benefits by Subsidiary's Strength

From Our Own Correspondent

MONTREAL.—The shares of the Dominion Bridge Company have been stronger, due in part to the improving position of its subsidiary, the Dominion Engineering Works; this is reflected in the recently announced increase in the dividends by that company from $3 to $4 annually. In addition, the outlook for future orders for Dominion Bridge is favorable. It is the intention of the Quebec Government to build several new bridges, and the company's chances for supplying the structural steel requirements for this work seem excellent. The expansion of its plants all over Canada, places Dominion Bridge in a dominant position in the structural steel industry.

Monthly Bank Clearings

(In comparison with same month last year)

Eastern Cities	Jan., 1928	Jan., 1929
St. John	$ 11,681,204	$ 12,940,623
Moncton	3,759,611	4,242,779
Halifax	12,670,408	17,507,059
Quebec	27,511,409	30,076,203
Montreal	634,110,058	755,624,464
Peterboro	4,349,027	4,537,348
Kinston	3,454,760	3,911,291
Toronto	669,303,580	744,585,149
Hamilton	25,644,406	27,927,393
Ottawa	30,621,869	40,665,862
Sherbrooke	3,758,609	4,145,017
Brantford	5,329,900	6,110,077
London	14,871,374	15,420,596
Kitchener	5,392,255	5,695,149
Windsor	19,304,723	25,260,308
Sarnia	2,843,051	3,176,061
Chatham	4,099,775	3,538,796
Western Cities	**Jan., 1928**	**Jan., 1929**
Fort William	$ 4,017,216	$ 4,173,622
Winnipeg	225,858,842	227,514,355
Brandon	2,383,181	2,652,326
Regina	21,042,017	24,986,358
Moose Jaw	5,919,874	5,937,374
Prince Albert	1,875,600	1,971,129
Edmonton	27,879,204	30,043,569
Calgary	50,838,438	61,775,949
Medicine Hat	1,634,664	2,244,679
Vancouver	92,163,700	105,738,357
New Westminster	3,105,115	4,221,483
Victoria	9,304,443	12,238,263
Saskatoon	10,658,289	10,829,728
Lethbridge	2,675,029	....

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Bank Chat

JACK MORSE, formerly a member of the Royal Bank at Amherst, N.S., has taken a position with Messrs. Johnston and Ward at Halifax.

H. M. STANDISH, of the Bank of Commerce, formerly assistant accountant at the Winnipeg office, has arrived in Halifax, where he will be accountant at the main office there.

H. W. STEVENS, who was formerly western inspector of the Bank of Nova Scotia, stationed at Winnipeg, has arrived in Galt to become manager there. He came to Galt from Jamaica, where he had been carrying out an inspection.

The Bank of Montreal announces that F. N. P. LORRAIN has been appointed branch manager at Chicoutimi. Mr. Lorrain has been manager at St. Jerome, Terrebonne County.

THE BANK OF MONTREAL opened one branch office during the month of January. It was in Ottawa.

Three new branches were opened by the ROYAL BANK during the month just passed and one closed. TORONTO, FARNHAM and TURNER VALLEY, Alta., all had banks opened and the branch at SPERLING, Man., was closed.

The IMPERIAL BANK opened two new branches, both in TORONTO, and closed one in Alberta, the BIG VALLEY branch, during January.

WALLACE HEPBURN, formerly teller at the Durham, Ont., branch of the Royal Bank, has been transferred to Iroquois Falls. He was succeeded at Durham by MILTON MILLARD, of Aylmer.

P. H. HAMON, manager of the Bank of Commerce, Virden, Man., branch, was the guest of honor at a banquet recently held in Virden. Mr. Hamon has been moved to Winnipeg and a number of his friends presented him with a set of gold cuff-links.

Friends of L. A. ROUSSEAU will be sorry to hear that he passed away recently in Quebec City. Mr. Rousseau was for many years connected with the Banque Canadienne Nationale and at the time of his death was manager of the Grand'Mere branch.

GEORGE HADDON, of the Bank of Commerce, has been transferred from Greenwood, B.C., to Armstrong.

A. E. PHIPPS, general manager of the Imperial Bank, is holidaying in Bermuda.

A new branch has been opened by the BANK OF TORONTO at 1541 Van Horne Avenue, OUTREMONT, Montreal, Que.

E. W. HAMBER, Vancouver; JOHN M. MACKIE, Montreal; and R. S. McLAUGHLIN, directors of the Dominion Bank, were in Toronto recently for the annual shareholders' meeting.

F. C. RIDLEY, manager of the Calgary branch of the Bank of Montreal, has been elected president of the Calgary Board of Trade.

J. HALDEMAN, of the Bank of Commerce, has been transferred from Southampton, Ont., to New Hamburg, Ont.

P. D. LYNCH, of Wilcox, Sask., has taken up his duties as accountant at Tugaske, Sask.

Ontario Steel Products Spends Money on Plant

From Our Own Correspondent

MONTREAL.—It is understood that during the past twelve months the Ontario Steel Products Company has greatly improved its manufacturing facilities through the expenditure of large sums for improvements to plant. This should continue to strengthen the company's competitive position. There is a narrow market for the common shares, which continue to change hands at about 30 to 31.

The company manufactures wagon and automobile springs, axles, spades, shovels and other similar lines of steel products. Plants are operated at Gananoque, Chatham and Oshawa. The company has a good earning record behind it, and the common shares are now on an annual dividend basis of $1.60 a share.

Heavy Building Program

Toronto's building program for 1929 will represent an investment of from $50,000,000 to $60,000,000 when all works are completed, if the expectations of the city architect's department are fulfilled.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Feb. 2, 1928	Feb. 1, 1929
St. John	$ 2,729,259	$ 2,814,980
Moncton	686,371	851,177
Halifax	2,770,877	3,483,485
Quebec	5,364,198	6,657,380
Sherbrooke	919,628	827,949
Montreal	153,912,679	158,390,651
Ottawa	7,116,943	8,464,737
Kingston	719,170	825,116
Peterboro	1,069,148	834,551
Toronto	158,701,513	177,825,012
Hamilton	6,609,135	5,885,606
Brantford	1,562,197	1,306,641
London	1,799,746	2,922,502
Kitchener	1,055,048	1,149,938
Sarnia	515,335	532,403
Chatham	918,182	782,600
Windsor	4,457,175	5,472,984
Western Cities	**Feb. 2, 1928**	**Feb. 1, 1929**
Fort William	$ 892,610	$ 651,862
Winnipeg	54,615,277	42,775,738
Brandon	531,126	513,891
Regina	4,149,209	5,672,404
Saskatoon	2,057,824	1,800,095
Prince Albert	424,118	358,230
Moose Jaw	1,108,284	961,580
Calgary	13,790,023	11,540,753
Edmonton	6,236,279	5,406,100
Medicine Hat	402,326	484,938
Lethbridge	706,926	570,850
Vancouver	24,308,702	21,398,978
New Westminster	791,762	889,629
Victoria	2,218,280	2,305,121

ALBERTA PREMIER SHOWS CONFIDENCE IN BANK TRAINING

Several Ex-Bankers Hold Appointments Under Government

By C. F. STEELE

There was a time out on the prairies of the West when all economic ills were laid at the door of financial institutions, banks and bankers, investment houses, etc., all came in for their share of censure. It is a little too early to say that this attitude has changed entirely. Prosperity is in the air and is likely to continue with a steadily upward swing. Farmers are having their share.

It is now a notable fact, however, that in Alberta from whence came and still comes, but in descending crescendo, the call for banking reform, the banker sits high in the councils of state.

Alberta is gifted with a broad-visioned premier. The Hon P. E. Brownlee is a lawyer. It is, of course, nothing unusual for a lawyer to be in politics, but Mr. Brownlee's idea of politics is fresh and new. He has developed a strong loyalty among his group (which is not quite a party) that partakes of much of the same partizan spirit that actuates Liberals or Conservatives. He requires and obtains a steady support of his policies on the floor of the house. In his capacity as administrative leader of the government, he forgets party lines. He has no time for them. When he gets up a new department, he seeks out the ablest men he can find. He never asks what their votes were in the last election. Rather, he seeks out their past experience in business.

Bank Man Runs Liquor Board

For instance, there was liquor. Legislation was passed to put the liquor business under control. An administrator was wanted. Other provinces had concluded that the job was too big for one man and appointed several to sit as a commission. Alberta decided that a one-man administration was best. To control a business like liquor with all its ramifications and opportunities, a strong, fearless man was needed. Mr. Brownlee chose a banker, R. G. Dinning, manager of the Lethbridge branch of the old Merchants Bank and later manager of the Bank of Montreal in the same city.

Under his administration the Liquor Act has been a complete success. Financially it has been a big dividend-maker. While profits are desirable in liquor as in any other business, Mr. Dinning has succeeded in keeping the traffic under a tight rein. The province appears largely free of all the old iniquitous pitfalls usually associated with intoxicants. The law is enforced. As an instance of how he controls: Alberta breweries were flourishing, competition in the sale of their various brands was becoming so keen that there was danger of bad practice creeping in. Suddenly, the announcement is made by the brewers that sale and distribution is to be amalgamated under one agency. Now instead of each brewer carrying on his own selling campaign with all the attendant publicity, the work is pooled. Control is made easier. A live hotelmen's organization springs into being. Proprietors band themselves together to disicpline erring members. Throughout it all there is the magic hand of law enforcement—the velvet glove over the mailed fist.

Colonization and a Banker

Again, a banker steps out on the stage. The Alberta Government was confronted with the problem of colonizing an irrigation district which had been formed by farmers in the southern part of the province. The government had guaranteed the principal and interest on five and a half millions of dollars spent in constructing the canals and works required to irrigate a hundred thousand acres of land. Only 300 farmers were in residence on this large tract of country. At least 600 more were needed if the enterprise was to pay its annual assessment and become self-supporting.

Colonization was in everyone's month. It was and is a live subject all over the Dominion. Here was a colonization scheme which had none of the attractions of free land. Irrigated land is high priced. Intensive production on small farms is necessary to success. A settler on such land had to be prepared to break away from straight wheat growing. Diversification requires capital—more capital than new settlers possess.

Legislation was passed inaugurating a department to do the work. The manager was given wide powers. He could buy and sell land and loan money. He had many other duties, chief among which the adjustment of the affairs of old settlers whose water rates were in arrears. It was freely said that whoever was appointed to the job, would have many prejudices to overcome, many new and untried trails to travel.

Another Bank of Montreal Man

A banker was appointed, James Pike, of Edmonton who had been managing branch banks for the Bank of Montreal, and latterly had been connected with land enterprises in northern Alberta. He took office in 1925. It was a year of adjustment. The settler already on the ground had to be brought under the new legislation, his rates brought within the new schedule, all of which provided intriguing problems of policy. In the spring of 1926, surplus land came over to him, most of it sod land which had never known the plow. It was unfenced and bare of buildings. A great part of the district was miles from a railway.

At the beginning of 1929, all this is transformed. There are 800 families in the irrigation districts where 300 had homes in 1925. There is a new branch line of the railway traversing that part which previously was miles from transport. There are sixteen new elevators, four new towns, miles of new roads. In 1927 the production of the district reached $3,000,000 as against $500,000 in 1924. Livestock is increasing, a barred rock poultry association has been formed with 100 farmers carrying a flock of from 200 to 300 hens—reputed to be the largest supervised association of its kind at least in Western Canada, and so on all down the line there is progress spelled with a capital.

There is the banker evident in the Alberta wheat pool. R. D. Purdy, once of the Merchants Bank, is no mean figure in that organization, fostered, if not actually controlled by the Alberta Government. And it is safe to say that bankers will be found holding many lesser administrative positions throughout the service.

It does not follow, of course, that men of other business training would not have held these jobs successfully, but it is nevertheless something of a compliment to the banking profession that its members can step into political appointments without losing prestige.

Banking Assets Again Touch New High Point

Call Loans in Canada and Abroad Are Increased Substantially, December Statement Shows

There has been quite a discussion in British papers recently as to the propriety of "window dressing" in banking reports. Canadian banks have from time to time been charged with arranging their loans and other placements at the close of their fiscal years in a manner that would make their annual statements the strongest of all their monthly reports. But the banks have a very good answer to that. Most of them close their fiscal periods at the time of the year when banking assets in Canada are at their peak, although liquid position may not always be strongest at that period.

December 31 sees most of the annual statements out of the way and if one wanted to accept superficial evidence that window dressing had been indulged in for the previous month one might find it in the December bank statement. This shows that after the October and November 30 periods were out of the way certain items took a quick move upward. Call loans abroad are $16,000,000 higher as are call loans in Canada. Other loans abroad are also higher. Current loans have been reduced by $7,000,000 which is, however, a natural trend at this season of the year.

Both savings and demand deposits show small losses which is also the usual year-end trend.

On the whole though, banking assets advanced and reached the new high peak of $3,455,000,000.

Analysis of the statement follows:

	Dec., 1928 $	Nov., 1928 $	Change $	Dec., 1927 $	Change $
Immediately Available Liquid Resources					
Specie	77,022,722	104,269,422	— 27,246,700	76,519,034	+ 503,688
Dom. Notes	133,843,578	150,852,888	— 17,009,310	138,803,816	— 4,960,238
Gold Reserve	78,730,866	76,980,866	+ 1,750,000	74,045,332	+ 4,685,534
Foreign Banks	77,638,371	81,697,694	— 4,059,323	73,819,784	+ 3,818,587
Foreign Curr.	25,481,694	29,243,132	— 3,761,438	29,433,606	— 3,951,912
Govt. Secs.	370,817,952	340,153,114	+ 30,664,838	325,834,979	+ 44,982,973
Call Loans A'bd	292,693,175	276,699,243	+ 15,993,932	290,584,174	+ 2,109,001
	1,056,228,358	1,059,896,359	— 3,668,001	1,009,040,725	+ 47,187,633
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	100,137,427	95,716,588	+ 4,420,839	140,503,628	— 40,366,201
Rly. Secs.	53,605,464	52,422,246	+ 1,183,218	63,105,571	— 9,500,107
Can. Call Loans	265,799,886	249,832,343	+ 15,967,543	241,964,697	+ 23,835,189
Current Loans	1,230,985,708	1,237,957,932	— 6,972,224	1,082,732,324	+148,253,384
Loans Ab'd	262,497,930	239,325,845	+ 23,172,085	264,708,072	— 2,210,142
Prov. & Mun. Lns.	96,161,382	115,976,776	— 19,815,394	79,812,227	+ 16,349,155
	2,009,187,797	1,991,231,730	+ 17,956,067	1,872,826,519	+136,361,278
Other Assets					
Non-Curr. Loans	7,073,167	7,194,366	— 121,199	7,456,080	— 382,913
Real Estate	5,968,008	5,970,479	— 2,471	7,436,177	— 1,468,171
Mortgages	6,962,894	7,094,937	— 132,043	6,396,595	+ 566,299
Premises	71,490,317	71,564,155	— 73,838	69,059,977	+ 2,431,240
Lets. of Cred.	99,118,295	100,682,781	— 1,564,486	83,137,272	+ 15,981,023
Loans to Comp.	10,422,426	10,180,904	+ 241,522	6,415,080	+ 4,007,346
Other Assets	2,524,032	2,439,434	+ 84,598	2,774,834	— 250,802
	203,559,139	205,127,056	— 1,567,917	182,675,115	+ 20,884,024
Total	3,268,975,294	3,256,255,145	+ 12,720,149	3,064,542,359	+204,432,935
Note Cir. Dep.	6,107,777	6,099,556	+ 8,221	5,938,447	+ 169,330
Int. Bank Bal.	194,617,623	188,831,495	+ 5,786,128	161,177,499	+ 33,440,124
Gross	3,469,700,694	3,451,186,196	+ 18,514,498	3,231,685,305	+238,042,389
LIABILITIES TO THE PUBLIC					
Circulation	186,086,685	186,631,654	— 544,969	182,747,049	+ 3,339,636
Dom. Govt.	46,310,457	34,934,372	+ 11,376,085	43,402,056	+ 2,908,401
Prov. Govt.	16,600,771	25,910,990	— 9,310,219	19,074,766	— 2,473,995
Govt. Advances	72,550,000	66,550,000	+ 6,000,000	32,500,000	+ 40,050,000
Deposits by Public					
Demand Dep.	715,023,426	726,222,878	— 11,199,452	684,431,406	+ 30,592,020
Savings Dep.	1,520,285,026	1,523,495,911	— 3,210,885	1,444,528,540	+ 75,756,486
Total	2,235,308,452	2,249,718,789	— 14,410,337	2,128,959,946	—106,348,506
Foreign Dep.	382,577,357	383,331,615	— 754,258	374,425,788	+ 8,151,569
Due Banks Abroad, etc.					
U. Kingdom	29,134,370	21,776,234	+ 7,358,136	18,507,049	+ 10,627,321
Foreign	89,140,156	69,834,867	+ 19,305,289	55,632,266	+ 33,507,890
Bills Pay.	17,755,733	17,805,487	— 49,754	5,900,997	+ 11,854,736
Lets. of Cred.	99,118,295	100,682,781	— 1,564,486	83,137,272	+ 15,981,023
Other Liab.	3,097,800	2,823,541	+ 274,259	2,569,290	+ 528,516
Pub. Liab.	3,177,680,076	3,160,000,330	+ 17,679,746	2,946,856,479	+220,823,597
Due Bet. Banks	16,705,422	16,754,804	— 49,382	13,041,158	+ 3,664,264
Liability to Shareholders					
Dividends	781,538	4,371,497	— 3,589,959	796,737	— 15,199
Reserve	136,892,725	135,990,100	+ 902,625	133,566,700	+ 3,326,025
Capital	123,667,285	122,764,660	+ 902,625	122,764,660	+ 902,625
Gross	3,455,727,046	3,439,881,391	+ 15,845,655	3,217,025,734	+238,701,312

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"Forgings" Subsidiary Gets Substantial Order

From Our Own Correspondent

MONTREAL. — The James Smart plant of the Canada Foundries and Forgings has received an order to supply the major requirements of track tools for the Canadian National Railways for the current year. The contract includes the supply of sledges, tongs, chisels, wrenches and picks, and should represent a fair source of revenue to the company.

The James Smart plant has been in operation for more than 50 years, and has proved a consistent revenue producer for the Canada Foundries and Forgings since it was acquired by the company in 1912. During the past year the Smart company has increased its export business substantially, and has established sales offices all over the world.

Canada Foundries and Forgings' position has been materially improved by the present activities of the equipment companies. The plant at Welland is working on a large order for axles for the railway companies, and has a good volume of automobile business on hand. The shares of the company have shown more activity on the Montreal Stock Exchange lately, and recent quotations on the A stock have been around 25.

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The Royal Bank of Canada
Head Office, Montreal
Condensed Statement to the Dominion Government
31st December, 1928

LIABILITIES

Capital Paid up	$ 30,000,000.00
Reserve Fund	30,000,000.00
Undivided Profits	2,361,085.71
Notes in Circulation	42,693,953.94
Deposits	730,085,445.00
Due to Other Banks	27,111,321.03
Bills Payable (Acceptances by London Branch)	6,938,494.84
Letters of Credit outstanding	47,976,674.64
	$917,166,975.16

ASSETS

Cash on Hand and in Banks	$130,535,648.54
Deposit in the Central Gold Reserves	16,400,000.00
Government and Municipal Securities	119,532,132.62
Railway and other Bonds, Debentures and Stocks	16,963,708.14
Call Loans in Canada	64,751,752.40
Call Loans elsewhere than in Canada	42,394,413.53
	$390,577,655.23
Loans and Discounts	459,458,841.74
Liabilities of Customers under Letters of Credit as per contra	47,976,674.64
Bank Premises	14,614,898.22
Real Estate other than Bank Premises	1,627,773.91
Mortgages on Real Estate sold by the Bank	1,401,131.42
Deposit with Dominion Government for Security of Note Circulation	1,510,000.00
	$917,166,975.16

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MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Return of the Chartered Banks of the Dominion of Canada, December 31, 1928

Liabilities

NAME OF BANK	Notes in Circulation $	Due to Dominion Government $	Advances under Finance Act $	Balances Due to Provincial Governments $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit $
Montreal*	46,722,136	27,774,310	15,000,000	4,770,358	176,248,243	422,152,795	96,583,871	2,232,395	5,652,553	19,411,863	395,640	13,508,104
Nova Scotia	16,098,054	3,493,903	5,000,000	287,229	41,162,501	131,487,397	36,056,096	3,246,884	97,749	1,831,567	1,150,971	7,959,343
Toronto	8,972,073	469,651	....	244,139	36,044,148	65,730,855	....	797,627	579,547	2,283,789	695,280	2,312,634
Provinciale	4,399,126	167,548	1,500,000	90,104	7,163,229	35,957,046	....	60	....	32,090	....	3,700
Commerce	34,848,050	5,773,023	17,000,000	2,225,962	174,150,826	306,701,272	42,210,812	1,063,116	19,728,816	39,013,029	8,484,632	19,613,481
Royal	42,693,953	4,764,303	25,000,000	4,603,873	180,584,767	318,895,745	195,196,782	1,206,694	2,206,214	23,698,411	6,938,494	47,976,674
Dominion	8,207,237	1,529,085	2,000,000	448,271	37,285,017	71,002,115	5,076,098	4,514,865	740,213	1,722,581	90,716	5,205,378
Nationale	13,016,069	858,209	6,500,000	1,417,786	24,027,475	91,298,303	1,453,698	609	73,477	491,384	....	799,812
Imperial	10,373,900	1,293,963	....	2,478,705	36,440,591	74,124,004	....	3,643,172	55,801	605,665	....	1,739,169
Weyburn Security	726,087	186,462	550,000	34,344	1,916,629	2,935,494	....	....	....	46,777	....	....
Total	186,086,685	43,310,357	72,550,000	16,600,771	715,023,426	1,520,285,026	382,577,357	16,705,422	29,134,370	89,140,156	17,755,733	99,118,295

NAME OF BANK	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital paid up $	Total Liabilities $	Capital authorized $	Capital subscribed $	% last dividend %	Loans to Directors $	Average gold and Coin Held $	Average Dominion Notes Held $	Greatest amount notes in Circ. $
Montreal*	1,693,025	25,531	30,916,700	29,916,700	893,004,230	31,175,000	29,916,700	12	3,472,088	29,827,347	59,328,756	51,034,664
Nova Scotia	315,256	401,384	20,000,000	10,000,000	278,588,340	15,000,000	10,000,000	16	1,372,479	9,202,709	9,578,303	17,991,652
Toronto	250,000	3,826	7,902,625	5,902,625	132,188,824	10,000,000	6,000,000	12	2,213,628	348,800	4,951,500	9,975,008
Provinciale	57,385	6,759	1,500,000	4,000,000	54,877,050	5,000,000	4,000,000	9	....	221,928	609,955	4,660,841
Commerce	....	21,766	24,823,400	24,823,400	726,481,591	25,000,000	24,823,400	12	7,987,711	17,778,000	24,994,000	40,036,515
Royal	280,000	53,567	30,000,000	30,000,000	914,099,482	40,000,000	30,000,000	12	2,448,470	20,110,692	16,443,486	47,939,426
Dominion	467,901	243,381	8,000,000	6,000,000	152,532,860	10,000,000	6,000,000	12	2,237,392	1,443,000	4,693,000	9,178,977
Nationale	....	5,578	5,500,000	5,500,000	150,975,404	10,000,000	5,500,000	10	34,020	895,971	2,190,235	13,402,769
Imperial	....	1,356	8,000,000	7,000,000	145,756,330	10,000,000	7,000,000	12	71,900	933,789	3,183,447	11,596,040
Weyburn Security	34,188	18,390	250,000	524,560	7,222,935	1,000,000	655,700	7	10,694	22,607	40,793	895,292
Total	3,097,755	781,538	136,892,725	123,667,285	3,455,727,046	157,175,000	123,895,800	......	19,848,382	80,784,843	126,013,475	206,711,184

Assets

NAME OF BANK	Current Gold and Subsidiary Coin $	Dominion Notes $	Notes of other banks $	United States and other foreign currencies $	Cheques on other banks $	Balances due from banks in Canada $	Due from banks in U.K. $	Due from banks elsewhere $	Government securities $	Canadian municipal, British and foreign Securities $	Railway and other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $
Montreal*	31,884,676	54,705,391	5,925,510	842,920	43,287,890	6,996	1,891,337	17,229,915	98,504,239	24,793,110	4,387,996	39,848,364	134,841,538
Nova Scotia	9,227,684	17,821,895	1,479,650	1,779,196	15,182,860	....	255,677	4,324,040	28,745,748	11,602,382	9,543,228	34,462,410	11,997,375
Toronto	377,559	4,949,285	869,090	133,293	9,303,159	....	22,269	1,787,366	13,512,165	3,807,141	2,918,456	11,524,633	3,600,000
Provinciale	225,479	277,257	822,170	123,629	2,610,891	1,913,456	9,541	436,059	7,377,089	1,903,120	2,894,331	13,133,156	....
Commerce	10,299,347	21,483,774	4,226,580	1,172,544	29,173,912	7,550	618,018	18,362,012	61,788,265	18,687,228	11,943,829	59,528,303	89,793,546
Royal†	21,639,527	18,160,310	5,228,327	20,856,263	38,609,306	100	1,538,697	24,503,115	100,043,027	19,489,105	16,963,708	64,751,752	42,394,413
Dominion	1,460,601	10,534,537	1,140,115	232,214	12,068,784	....	548,105	3,975,975	16,755,040	3,843,958	2,105,630	14,439,122	8,066,303
Nationale°	914,523	1,253,323	1,891,465	156,003	5,130,330	369,242	67,211	1,134,253	24,707,316	10,095,128	2,451,039	15,620,808	....
Imperial	968,009	4,618,859	1,256,095	184,749	11,296,501	629,035	25,869	861,759	18,676,891	5,682,365	93,726	12,491,338	2,000,000
Weyburn Security	25,317	38,947	31,065	883	65,270	2,092,274	....	47,153	708,172	233,890	303,521	....	....
Total	77,022,722	133,843,578	22,870,067	25,481,694	166,728,903	5,018,653	4,976,724	72,661,647	370,817,952	100,137,427	53,605,464	265,799,886	292,693,175

NAME OF BANK	Other current loans in Canada $	Other current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Letters of Credit $	Deposit for note circulation $	In central gold reserves ** $	Shares of and loans to controlled companies $	Other assets $	Total assets $
Montreal*	301,232,862	55,008,073	2,616,359	21,607,423	2,012,452	505,977	1,139,574	11,500,000	13,508,104	1,407,093	24,000,000	3,270,494	611,576	896,569,881
Nova Scotia	85,042,112	21,212,982	328,043	4,572,542	175,078	....	203,625	6,844,873	7,959,343	479,451	6,500,000	....	73,030	279,813,234
Toronto	69,303,524	....	....	1,700,003	5,911	....	51,088	3,289,455	2,312,634	272,413	3,880,866	....	....	133,620,318
Provinciale	18,407,309	....	....	1,606,392	130,875	397,937	513,575	2,142,255	3,700	204,400	....	....	180,496	55,313,125
Commerce	271,162,660	29,717,014	13,885,855	23,717,157	2,109,374	2,547,766	1,544,820	15,639,940	19,613,481	1,250,000	15,000,000	4,324,816	371,429	727,969,231
Royal†	287,716,687	155,359,057	5,039,799	5,731,312	2,218,881	1,627,773	1,401,131	14,614,898	47,976,674	1,510,000	16,400,000	2,827,116	565,988	917,166,975
Dominion	61,357,665	1,185,819	....	1,310,149	66,799	5,520	32,506	5,642,737	5,205,378	314,650	2,300,000	....	213,531	152,805,147
Nationale°	64,510,597	10,485	1,274,888	6,479,963	173,953	547,153	1,229,612	5,446,025	799,812	287,568	7,200,000	....	224,561	151,975,270
Imperial	69,576,751	....	55,422	6,179,099	168,103	202,305	605,011	6,036,391	1,739,169	352,993	3,250,000	....	240,224	147,190,675
Weyburn Security	2,675,541	4,500	....	56,976	11,741	133,577	241,952	333,743	....	29,209	200,000	....	43,101	7,267,838
Total	1,230,975,708	262,497,930	23,200,366	72,961,016	7,073,167	5,968,008	6,962,894	71,490,317	99,118,295	6,107,777	78,730,866	10,422,426	2,523,936	3,469,700,694

**Of this deposit $20,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

Automobile Industry

GENERAL MOTORS SCHEDULE IS BIG FOR WALKERVILLE

Chrysler Also Has Extensive Plans at Border Cities

General Motors of Canada will build 40,000 trucks and coaches in its Walkerville plant this year. Employment there has reached 2,000 hands already, and will probably increase to 2,500 this year. In addition, General Motors will take over, on Jan. 1, 1930, the old Fisher body plant in Ford City, at present under lease to Chrysler Motors, and this will permit of the addition of 1,000 men to the General Motors Border payroll, making the expected maximum in 1930 of 3,500 men.

The Chrysler Corporation are preparing to build another unit early this year in their $5,000,000 Walkerville plant program, of which the first $1,500,000 unit is nearly completed now. Installation of machinery in this unit will commence about March 1.

Heads O. M. L. For 1929

Northern Ontario was accorded a signal honor when the Ontario Motor League selected as its president for 1929 Elmer West, of Sault Ste. Marie. It is many years since the League has had as its chief executive a man outside the cities of Toronto and Hamilton. The following were named vice-presidents: J. Earl Birks, Toronto; Dr. P. E. Doolittle, Toronto; and Geo. King, Kingsville.

Kerby in Western Canada

Roy D. Kerby, vice-president and general manager of Durant Motors of Canada, Leaside, and P. J. Duggan, general sales manager of the organization, are at present on a tour of Western Canada which will occupy their time about February 20.

Graham-Paige Introduces New Eight

This car was recently given its premier showing at the Toronto and Montreal motor fairs.

Gear Buyers Concerned Over McKinnon Deal

Position of Other Motor Manufacturers in Doubt as They Become Potential Customers of General Motors Corp.

Projected purchase of McKinnon Industries by General Motors Corp. has caused a number of questions to arise as to the probable future of the parts industry in Canada. It is considered improbable, however, that there soon will be any further important purchase of parts manufacturers by General Motors.

A large part of McKinnon Industries business at St. Catharines comes from the manufacture of gears for General Motors. General Motors wished to bring the gear business under its own control and, as is intimated in the letter to McKinnon shareholders signed by B. W. Burtsell, president, General Motors contemplated establishing a gear manufactury in this country.

But McKinnon Industries makes gears for Canadian manufacturers of automobiles other than General Motors and the question these manufacturers are asking is whether they will be able still to get their gears on satisfactory terms from the McKinnon plant. It is reported that one or two other parts manufacturers have been approached already to learn whether or not they would enter the gear business.

General Motors also is a customer of most of these other parts manufacturers. If these manufacturers enter the gear business in competition with McKinnon, the question is what attitude General Motors would take as to purchase of other parts from the independent manufacturers. For the time being, at least, the other parts manufacturers who are not already making gears are not likely to rush into that branch of the business.

Making of gears is a highly specialized business. Only one or two other manufacturers in Canada have made much success of it from the point of view of the motor-car manufacturer. Most of the highly skilled help would have to be imported and it is likely that a year or two would elapse before a new plant could be operated successfully.

Some Are Dissatisfied

There is not satisfaction with the General Motor-McKinnon deal on the part of all the McKinnon shareholders. McKinnon was expected to earn $10 per share in the current year, which ends September 30, and on this business the stock was worth more than the exchange price of approximately $63. But as the majority of the stock probably is held by the directors, it is probable that the required 75 per cent. will be deposited.

The basis of exchange is four shares of McKinnon for three shares of General Motors. At recent prices, therefore, McKinnon was worth approximately 63. If General Motors in the next year or two continues its record, the McKinnon shareholders will have no cause for complaint.

McKinnon Industries was incorporated in 1925 to take over the business of McKinnon Industries of St. Catharines and the McKinnon Dash Co. of Buffalo. There was at that time issued $1,000,000 of 6½ per cent. first mortgage bonds, $1,000,000 of 7 per cent. preferred stock and 50,000 shares of common stock of no-par value.

Preferred Remains

The official announcement deals with the common stock only, but it is understood, that if the offer is accepted, the preferred stock and bonds will be called or some sort of conversion proposed to the holders. The preferred is callable at 110 and accrued dividend and the bonds at 105 and accrued interest. As at September 30, 1928, the bonds outstanding totaled $944,000 and the preferred $954,100.

Original buyers of preferred shares got one-half share of common as a bonus. The preferred was offered in 1925 at 98 and accrued dividend.

Mr. Burtsell's letter to the McKinnon shareholders follows:

I beg to advise you that General Motors Corporation has made an offer to the holders of the common shares of The McKinnon Industries Limited to acquire such shares on the basis of three shares of General Motors Corporation for four shares of The McKinnon Industries Limited. A copy of the offer of General Motors Corporation is enclosed herewith together with a form of acceptance to be signed by such holders of the common shares of your company as may desire to accept it. Your directors who hold a large amount of stock are depositing their own shares and they recommend that all other shareholders do likewise. At the present market price of General Motors Corporation common stock the common shares of your company are valued in the neighborhood of 63, at which price they are currently selling.

A special reason which moves your directors to recommend the acceptance of the offer of General Motors Corporation is that General Motors Corporation contemplated manufacturing in Canada parts of the kind which this company has been supplying. Inasmuch as a very large proportion of this company's business consists of the parts which it has been supplying to General Motors Corporation, your directors looked upon the possibility of losing this business as a serious one for your company and under the circumstances they have concluded that the offer of exchange is a fair one which the shareholders of your company should accept. All that will be necessary for any shareholder to do in accepting the offer will be to complete and sign the enclosed acceptance indicating the number of shares he wishes to exchange and to send it with his certificates properly endorsed in blank as indicated in the offer to National Trust Company Limited, 20 King Street East, Toronto.

Owing to the fact that the offer of General Motors Corporation is not binding upon it unless the holders of 75 per cent. of the shares of your company accept it and deposit their certificates before February 21, 1929, it is desirable that shareholders should sign their acceptances as soon as possible and forward them with their certificates to National Trust Company, Limited.

You will observe that if the offer becomes binding on General Motors Corporation the common shareholders of The McKinnon Industries Limited who deposit their certificates on or before 21st February, 1929, will be entitled to the dividend declared on General Motors Corporation common shares payable in March, 1929. No dividends will be declared on the common shares of The McKinnon Industries Limited until the offer of General Motors Corporation becomes either binding or void.

New Appointment

A. M. MILLER, who has been appointed advertising director for all Chrysler interests in Canada. Mr. Miller was formerly advertising manager for Dodge Brothers in Canada.

Seiberling Program Calls for Expansion

Recent large orders placed by the Seiberling Rubber Company of Canada, for additional equipment and new machinery are the forerunners of a large expansion program.

C. A. JONES

"The necessity of increasing our manufacturing facilities is brought about by the sales increase that Seiberling tires have enjoyed since our establishment in Canada in May, 1927," says C. A. Jones, vice-president and general manager. "1,200 dealers have been established with exclusive Seiberling franchises in 1,200 cities and towns in every province."

"Seiberling's export business has been equally encouraging both in tires and druggists' rubber sundries. Trade connections have already been established in 23 different countries and the volume is showing a most satisfactory increase.

"Production schedules for almost every month of 1928 exceeded the schedules of the preceding month and January of this year reaches the record peak production of the organization's history."

Graham-Paige New Eight Has Many New Features

Full details of the new Graham-Paige 827 (eight cylinders-127 inch wheelbase), which was exhibited at the Toronto and Montreal motor shows in January, have now been received. This model is offered in six body styles—five-passenger sedan, two-passenger coupe with rumble seat, cabriolet with rumble seat, roadster with rumble seat, four-passenger coupe and five-passenger phaeton.

Performance of a high degree is claimed through the contribution of the Graham-Paige four-speed transmission, a high-geared rear axle and an engine of unusual power. The engine is of 3⅜ in. bore by 4½ in. stroke, which by actual brake test develops 123 horsepower.

The 827 chassis incorporates several features new to Graham-Paige this year. The Bijur system of centralized lubrication is one of these. Ignition is by means of Delco-Remy equipment, utilizing a double coil and double breaker distributor, a system designed to assure a hot spark at all speeds. Houdaille shock absorbers are standard equipment. An automatic radiator shutter controls the temperature of the water. There is also a thermostatic valve in the water outlet of the cylinder head which prevents the water from circulating until the engine block has reached the proper temperature.

Silk Industry Growing

In the past 11 years the silk industry of Canada has increased 55½ per cent. in the number of establishments, 251 per cent. in the number of employees, 496 per cent. in salaries and wages, and 303 per cent. in the gross value of products. Since 1924 the capital investment has increased from $5,744,502 to$22,327,818 in 1927. The annual gross value of the Canadian silk industry is nearly $10,000,000, according to latest available figures.

59th Annual Statement

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE: . . WATERLOO, ONTARIO

1928
A Year of Substantial Progress

1. SURPLUS EARNINGS **$4,888,816** — The earnings surpassed those of the previous year by $387,000 and amount to $49.84 per $1000 of assets.

2. NEW BUSINESS PAID-FOR **$57,072,790** — The new paid-for business exceeded that of the previous year by $7,291,698.

3. ASSURANCES in FORCE **$422,795,453** — Representing an increase for the year of $36,080,000.

4. TOTAL ASSETS **$98,089,366** — Assets represent the book value of the Company's securities and would appear substantially larger if current market values were used. The increase for the year is $8,850,000.

5. DIVIDENDS PAID POLICYHOLDERS **$4,752,509** — An increase of more than $1,100,000 over the previous year, which includes a Special Extra Cash Dividend of approximately $700,000.

6. SURPLUS FUNDS and SPECIAL INVESTMENT RESERVES **$11,853.824** — Insuring the continuance of liberal dividend distribution.

7. EXPENSE RATIO **14.27%** — Again the expense ratio has been materially reduced.

8. RATE OF INTEREST EARNED **6.36%** — New investments made during the year exceeded $12,000,000 and, notwithstanding steadily declining interest rates, the average rate of interest earned is well maintained.

A Purely Mutual Company

Established 1869

Progress of the Company

Year	Income	Assets	Paid to Policyholders	Business in Force
1878	$ 59,277	$ 142,619	$ 12,450	$ 1,885,311
1888	393,075	1,297,587	122,894	12,041,914
1898	923,941	4,126,132	360,397	23,703,979
1908	2,546,141	12,983,674	827,749	54,693,882
1918	7,021,103	34,755,736	3,291,418	137,640,614
1928	22,223,234	98,089,366	9,750,691	422,795,453

HUME CRONYN, *President*
R. O. McCULLOCH, *1st Vice-President*
C. M. BOWMAN, *Chairman of the Board*
W. H. SOMERVILLE, *General Manager*

Loblaw Groceterias Co. Limited

Notice is hereby given that quarterly dividends of 1¾%, being at the rate of 7% per annum on the Prior Preference Shares of the Company and 50c. per share on the Common Shares of the Company have been declared for the quarter ending February 28th, 1929, payable on March 1st, 1929, to shareholders of record at the close of business on February 16th, 1929.

The transfer books will not be closed.
By order of the Board.

D. URQUHART, Secretary.

Toronto, February 1st, 1929.

P. T. LEGARÉ CO. LIMITED

DIVIDEND NO. 6

The regular 1¾% quarterly dividend on the 7% preferred stock of this Company has been declared for the quarter ending February 28th, 1929, payable on the 1st day of March, 1929, to shareholders of record at the close of business the 15th day of February, 1929.

By order of the Board.

P. C. FALARDEAU, Secretary-Treasurer.

Quebec, February 6th, 1929.

TOWN OF AURORA

Tenders will be received by the Town Clerk, Aurora, up to Feb. 15th, for the following issue of Debentures:

$8,000, Waterworks, 30-year, 4½%.
$10,433.50, Local Improvements, 15-year, 5%.
$83,800.00, Local Improvements, 15-year, 4½%.
Further small sum, L. Twp., 15-year, 4½%.

Equal annual instalments of Principal and Interest. Payable at Treasurer's Office, Aurora.

M. L. ANDREWS, Clerk.

CANADIAN CAR & FOUNDRY COMPANY Limited

Notice of Special General Meeting of Shareholders

NOTICE is hereby given that a Special General Meeting of Shareholders of Canadian Car & Foundry Company, Limited, will be held at the Head Office of the Company, 621 Craig Street West, in the City of Montreal, on Wednesday, the 27th day of February, 1929, at the hour of 12 o'clock noon, for the following purposes, namely:—

(1) To consider and if deemed advisable to pass a resolution approving and sanctioning, with or without modification, By-law "A" enacted by the Directors providing — (a) for an increase of the authorized capital stock of the Company by the creation of an additional 50,000 Ordinary Shares of the par value of One hundred dollars each; and (b) for the allotment and issue of said additional Ordinary Shares at any time or from time to time, upon such terms and conditions as the directors of the Company may by resolution determine;

(2) To consider and if deemed expedient, to pass any and all such other or further resolutions as may be necessary or desirable in connection with the foregoing.

By order of the Board,

A. C. BOURNE, Secretary.

Montreal, February 6th, 1929.

Tender For Investment of Funds

Sealed tenders for the investment of the Funds of the Synod of Huron, London, Ont., will be received by the undersigned up to 1st March, 1929, from whom full information and form of tender may be obtained.

The Incorporated Synod of the Diocese of Huron,
W. J. DOHERTY, Secretary-Treasurer,
Box 307, London, Ontario.

16 DRAWER KARDEX STOCK
Record for sale. Almost new.
G. W. SADLER BELTING CO., LTD.,
38 Wellington St. East, Toronto

INTERNATIONAL PAPER COMPANY

New York, December 26th, 1928.

The Board of Directors have declared a quarterly dividend of sixty (60c.) cents a share, on the common stock of this company, payable February 15th, 1929, to Common Stockholders of record, at the close of business February 1st, 1929.

Checks to be mailed. Transfer books will not close.

OWEN SHEPHERD, Vice-president and Treasurer.

Dominion Engineering Works Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of One Dollar ($1.00) per Share has been declared on the No Par Value Shares of this Company, for the Quarter ending 30th March, 1929, payable 15th April, 1929, to Shareholders of record at the close of business on the 30th March, 1929.

By Order of the Board.

WM. BAXTER, Assistant Secretary.

Montreal, P.Q., 1st February, 1929.

HOWARD SMITH PAPER MILLS LIMITED

Incorporated 1928

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 1½% on the 6% Preferred Stock of the Howard Smith Paper Mills, Limited, Incorporated 1928, has been declared for the period ending the 28th day of February, 1929, payable on the 28th day of February, 1929, to shareholders of record at the close of business on the 18th day of February, 1929.

By order of the Board.

K. G. PENDOCK, Secretary.

Montreal, January 30th, 1929.

DIVIDEND NUMBER 185
Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 1% on the outstanding Capital Stock of the Company has been declared payable on the 25th day of February, 1929, on which date cheques will be mailed to shareholders of record at the close of business on the 8th day of February, 1929.

Dated the 1st day of February, 1929.

I. McIVOR, Assistant-Treasurer.

Wayagamack Pulp & Paper Company, Limited

DIVIDEND No. 16

Notice is hereby given that a Dividend of Seventy-five Cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending February 28th, 1929, payable March 1st, 1929, to Shareholders of record at the close of business on February 15th, 1929.

By order of the Board.

D. L. ADAMS, Secretary-Treasurer.

Montreal, Que., January 17, 1929.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1929.

By Order of the Board.

FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 22nd January, 1929.

The Canadian Bank of Commerce

Dividend No. 168

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1929, and that the same will be payable at the Bank and its Branches on and after Friday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1929. The transfer books will not be closed.

By Order of the Board,

S. H. LOGAN, General Manager.

Toronto, 18th January, 1929.

QUEBEC POWER COMPANY

Notice of Redemption

To the holders of the Series "A" Thirty Year Six Per Cent. First Mortgage Sinking Fund Gold Bonds and Registered Debenture Stock of Quebec Power Company.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from Quebec Power Company to National Trust Company, Limited, Trustee, dated October 25th, 1923, and Supplemental Trust Deed dated December 21st, 1923, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding Series "A" Thirty Year Six Per Cent. First Mortgage Sinking Fund Gold Bonds and Registered Debenture Stock (which would, according to their terms, mature and become payable on October 1st, 1953) on the first day of April, 1929, at one hundred and seven and one-half per cent. (107½%) of the principal amount thereof, together with accrued interest on such principal amount to the said first day of April, 1929.

The said Bonds will be so redeemed at the principal office of the Royal Bank of Canada in the Cities of Montreal or Toronto, Canada, or at the principal office of the Bank of the Manhattan Company in the City of New York, in the Borough of Manhattan, State of New York, and bondholders are required to present their bonds with all unmatured coupons pertaining thereto for redemption at one of the said offices on the said date.

The said Stock will be so redeemed at the principal office of the Royal Bank of Canada in London, England, and holders of the said Stock are required to present their Stock certificates for redemption at the said office on the said date.

In case such Bonds and Stock are not so presented for redemption on the first day of April, 1929, all interest on said Bonds and Stock will cease from and after the said date.

DATED at the City of Quebec, this 1st day of December, 1928.

QUEBEC POWER COMPANY,
(Sgd.) James Wilson, Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Bonds may surrender the same at any of the offices where such Bonds are payable as aforementioned, and holders of the said Stock may surrender their Stock Certificates at the office where such Stock is payable as aforementioned, at any time on and after January 1st, 1929, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and seven and one-half per cent. (107½%) with interest accrued on such Bonds or Stock to the date of surrender thereof.

QUEBEC POWER COMPANY,
(Sgd.) James Wilson, Secretary.

$15000 Private Offering

of 7% Cumulative Preferred Shares, $100 Per Share

With 100% Bonus of Common Stock

(Preferred Shares Callable at $105.00)

Proceeds of this issue to be devoted to the manufacturing and merchandising of a very profitable specialty that is a necessity to every motorist. Hundreds of unfilled orders already on hand. Advertising now in course of preparation will tax production facilities to the limit.

Patents have been applied for in Canada and U.S.A., and the proceeds from the sale of State Selling Rights in U.S.A. will, it is believed, produce a sum many times greater than the entire capitalization of this Company. Company is incorporated with Dominion Charter. Suitable premises have been leased, and production will begin in about two weeks.

A position is available on the Board of Directors for two men with the proper qualifications.

Apply for information in first instance to Box 53, The Financial Post, Toronto.

FACTORY FOR SALE
at Pointe-Aux-Trembles, Montreal

Corner Lagauchetière and 8th Avenue

formerly occupied by CANADIAN FOOTWEAR COMPANY, LTD.

Large, modern, solid brick factory, 4 storeys high, 135' x 43' and addition 83' x 48' erected on land 184' x 153' with sprinklers, elevator and heating equipment.

EXCELLENT OPPORTUNITY

Apply to

General Trust of Canada, 112 St. James St. W., Montreal

Wanted

Money on Call Loan by Responsible Exchange House

One of the large responsible Exchange houses can use up to $500,000 of Call Money. We would like to hear from responsible industrial firms having surplus funds available for that purpose. All correspondence treated in strict confidence. Address Broker, c/o Financial Advertising Co., 300 Bay Street, Toronto.

Chartered Accountant

Man to take charge of department where investment analyses of corporations will be principal work. Excellent opportunity for young C. A. more interested in an opportunity where he can develop with growing organization than in immediate salary. Newspaper or investment experience valuable. Tell your story in first letter, and mention salary you will start at. Box 44, The Financial Post, Toronto.

Thoroughly Competent Business Man, experienced in the Manufacturing, Advertising, Wholesale and Retail Trades, for a number of years Secretary-Treasurer of one of the Largest Wholesale Establishments in the Maritimes (doing Business in the Maritimes, Newfoundland and West Indies), would like to get in touch with reliable concerns who are considering the establishment of a Maritime Branch or who require the services of a First Class man. References Furnished.

Box 49, The Financial Post, Toronto, Ont.

ASSETS UNDER ADMINISTRATION BY NATIONAL TRUST COMPANY PASS $200,000,000 MARK

Over $20,000,000 Higher Than a Year Ago—Estates, Trusts and Agencies Increase and Trust Deposits Show Largest Yearly Gain to Date—Earnings Keep Pace With Growth in Assets—Business Larger Than Statement Indicates—Reduction of Real Estate Held For Sale Under Mortgage Foreclosure Evidence of Improvement in Farming Conditions.

SIR JOSEPH FLAVELLE SURVEYS COUNTRY'S PROGRESS

British Capital Shows Signs of Coming Again to Canada—Each Section of Country Concerned With Welfare of All—Comments on Speculation and Corporate Finance—Importance of Immigration—Transportation, Developed by Rail and Road, Will Help Settlement on Land.

PROGRESS IN INDUSTRIAL RESEARCH GRATIFYING

Ontario Bureau a Forward Step—Private Initiative Should Avail Itself of Research Opportunities Offered Through Governments—Importance of Canadian Agriculture Warrants Effort Necessary to Solve Its Problems.

Continued progress by National Trust Company in all departments of its business during 1928 was reported to the shareholders at the company's annual meeting held Feb. 5th. Particularly striking was the increase the annual statement shows of over twenty million dollars in assets under administration, the total of which is now well over $200,000,000, standing at $202,141,701.46. Estates, trusts and agencies and trust deposits all show increases, the latter the largest increase to date in any one year in the company's history.

In moving the adoption of the report, the president, Sir Joseph Flavelle, Bart., said:

PRESIDENT'S REMARKS.

The report of your Board of Directors indicates the gratifying extent to which the company has shared in the prosperity which has so generally prevailed throughout Canada during the past year.

A New High Record of Achievement.

An increase of more than twenty million dollars in assets under administration, with aggregate figures in excess of two hundred million, again establishes a new high record of achievement, and attests that continuing confidence on the part of the public which our officers have always zealously sought to merit and which it has been our good fortune to increasingly enjoy since the establishment of the company 30 years ago. I need not say that the management of so large a body of assets, and particularly that greater part entrusted to the company in its fiduciary capacity as executor and trustee, necessitates the exercise of constant care and sound judgment. From an intimate knowledge of its day-to-day operations I have no hesitation in giving to our shareholders and clients the assurance that the company is equipped with a staff and facilities fully adequate to meet the increasing demands of its rapidly growing business.

Signs of British Capital Resuming Movement to Canada.

The past year has witnessed a remarkable expansion in practically all the manifold activities of the Canadian people. Production has been upon a scale which would hardly have been deemed possible in the years before the war, when population was not greatly less than it is at the present time. The causes are not far to seek. The Dominion has been abundantly dowered with natural resources. They require for their development the application of labor and capital. We have a capable and industrious population. It has been stated on external high official authority that Canada per head is the most productive country in the world. Whether this be so or not, the continuous expansion of our agriculture, the notable development of our mineral areas, the increasing growth of our forest production, the development of our exceptional resources in water powers, and the mounting aggregate of our domestic and export trade, sufficiently demonstrate the enterprise and capability of the Canadian people. The capital required for the expansion of our industries since the war has been supplied both by the thrift of our people, as evidenced by the striking advance in savings deposits and the volume of investments annually absorbed in Canada, and by the influx of capital from abroad, and principally,—in excess of three billion dollars—from the United States. It is to be hoped that as conditions permit we shall again have the advantage of that flow of British capital seeking investment which played in earlier years so great a part in the upbuilding of the Dominion. There are already signs that the resumption of this movement is at hand.

Welfare of Each Section of Community is Common Concern of All.

In considering our exceptionally fortunate condition we must not overlook the fact of the abundant harvests which we have enjoyed during the past few years, as compared with the less favorable period immediately succeeding the war. Notwithstanding the great increase in our industrial development and the commanding position which our manufacturing industries occupy in both our domestic and export trade, we have only to ask ourselves what our position would be should harvests not be so abundant and prices for our agricultural products be materially reduced to appreciate to what an extent Canadian agriculture is still the mainstay of Canada's prosperity. The fact is that for the general prosperity of Canada, prosperity in all the great branches of our economic structure is indispensable. The welfare of the whole is wrapped up in the welfare of its various parts. We are dependent upon one another for our progress and the welfare of each section of the community should be the common concern of all.

Investors Should be Prudent and Discriminating.

The period of marked expansion through which we are passing, has inevitably given rise to widespread speculation in the securities of our various enterprises. To such an extreme has this been carried in some cases that widespread concern has been frequently voiced by outstanding leaders in the financial community. It is, I suppose, only natural that the general public, in the prevailing optimism as to the future of Canada's enterprise and the immense potential value of our resources, should keenly desire to participate in the profits to be derived from their development. The danger lies in the tendency to outrun too far the actualities of the present and discount too greatly in advance the expected favorable results of the future, without taking into account those less favorable features, which in a percentage of enterprises are bound to be encountered. Inflation in values is bound to result from such uncontrolled optimism, with the inevitable penalty which it brings to many when the tale is finally told. It is good to be optimistic in such a country as Canada, but in the investment of money it is good also to be prudent and discriminating. Sooner or later the law of return upon invested capital must have its application and securities must approve themselves in accordance with the principle of this inexorable law.

New Methods of Corporation Financing.

The rearrangement of the financial structure of so many joint stock companies into no par shares, with the wider market which such subdivision opens up, has made possible investment on the part of thousands of our citizens who were unable to participate before, and has at the same time, in the case of highly speculative enterprises, greatly promoted the speculative tendency of the day. The new method of financing corporations, however, through the issue of share capital rather than by bond issues has greatly strengthened the position of many enterprises by reduction of liability to the creditors and the increase of financial interest on the part of shareholders. The issue of no par shares at lower than prevailing market quotations still gives the issuing corporation money at a rate lower than or equivalent to that which could be attained by the issue of interest-bearing obligations. How long this condition may last no one can foretell. It is certain, however, that to provide purchasing power for the rapidly increasing volume of these securities, production on this continent must continue on a very high level.

Active Promotion of Immigration Desirable.

Among the many subjects which are engaging public attention at the present time, none is more commanding in its interest and importance than the matter of Immigration. For the progressive development of our great domain, Canada requires to add largely to her present producing population. We need more producers and more consumers in order to ensure continuing balance in economic conditions. The subject has been so frequently and ably discussed that it would be superfluous to elaborate. It would be sufficient to express concurrence in the view which appears to be widely held as to the desirability of promoting, as actively as may be practicable, the immigration to Canada of well-selected settlers and others whose service can be productively employed throughout the Dominion.

Railway Rivalry Shows Confidence in West.

We have only recently begun to appreciate the part played by railway construction in the earlier years of our history in promoting land settlement in our West and elsewhere by affording part-time employment to settlers, pending the clearing of their lands and the establishment of themselves and their families on a self-sustaining basis as part of the farming community. In this connection we read with much interest of the rivalry of our two great railway systems for the extension of their lines into new areas of the Prairie Provinces—a striking evidence of their confidence in the future of these great Provinces and the best guarantee for increasing settlement under conditions similar to those attending our earlier successful experience in large-scale immigration. Supplementing this extension of railway lines, and of equal importance is the progressive policy of highway construction adopted by all the Provinces of Canada. There is no more productive expenditure than that wisely laid out in improving the highways of the Dominion. It promotes intercourse and communication, reduces costs of transportation in marketing, brings new areas into production through reducing distance, attracts tourists and the money which they expend, and promotes in a high degree the welfare and prosperity of all. We have just read of the action of the Saskatchewan Government in voting a large sum for this most desirable purpose. The large scale consummation and proper maintenance of highways in the Western Provinces, in Northern Ontario and Quebec, and elsewhere in Canada, would do as much to promote permanent settlement upon the land as any other policy that could be devised.

Returning from these larger matters of general interest to the domestic affairs of the Company, it is with deep regret we record the death during the year of Mr. Kenneth MacKenzie, one our colleagues from Winnipeg. Mr. MacKenzie had been associated with the Company for almost twenty years, first as a member of the Advisory Board at Winnipeg and later as a member of the Board of Directors. During this long association he held a warm place in the hearts of his fellow Directors and of all members of the staff with whom he came in contact.

New Directors Elected During 1928.

The vacancy caused by Mr. MacKenzie's death was filled by the appointment of Mr. James A. Richardson, of James Richardson & Sons, Limited, Winnipeg.

A further vacancy on the Board was filled by the appointment of Mr. J. A. McLeod, Vice-President and General Manager of the Bank of Nova Scotia.

The Inspection Committee has made the inspection of securities required by the by-laws of the Company, and their report is submitted for your approval.

The annual inspection of the Company by the Government provided for by Act of the Legislature of the Province of Ontario also took place during the year.

From time to time during the year the Company has been requested to subscribe to various charitable funds. Your Directors have responded to these calls and a resolution confirming their action will be submitted to you to-day.

I desire on behalf of the Board to express appreciation of the services, given to the Company's affairs by the resident Directors at Hamilton, Montreal and Winnipeg; also to acknowledge the valuable services of Messrs. Thomson, Dickson and Shaw, of Edinburgh, the Company's sole agents in Scotland.

Before moving the adoption of the report I shall ask the General Superintendent to address you.

The General Superintendent, Mr. J. C. Breckenridge, then spoke as follows:

GENERAL SUPERINTENDENT'S REMARKS.

Sir Joseph and Gentlemen:

Once again we have entered on a new year in the company's history and are able to look back over the one just closed observing everywhere evidence of the continued growth and prosperity of our country. Perhaps from no circumstances can more satisfaction be derived than from the growth of employment. When every day we learn of the troubles and distress in other parts of the world, it is with the utmost thankfulness that we turn to conditions in Canada and find the employment situation so satisfactory. I quote from the Annual Review of Employment in Canada during 1928, published by authority of the Minister of Trade and Commerce:

"The employment situation throughout Canada was decidedly more favorable in 1928 than in any other year of the record (i. e. since 1920), nearly all localities and industries sharing in the general improvement."

"As in 1927 and 1926, an outstanding feature of the situation during 1928 was the marked expansion in construction, in which the number of workers covered by these statistics considerably more than doubled between February and August. Manufacturing showed consistent gains for many months, affording much more employment than in earlier years of the record. Transportation, mining, logging, services, communications and trade were all much more active than in preceding years; in practically all of these employment attained the peak so far reached in this record."

It will be no surprise to you, therefore, to find that your Board present a statement to-day showing progress in every way.

Earnings at Highest Point.

The net earnings for the year of $527,949.36 mark the highest point in the history of the Company, and with the balance carried forward from 1927 allowed your directors, after providing for Dominion, Provincial and Municipal taxes, to pay the regular dividend at the rate of twelve per cent. per annum as well as a bonus for the year of one per cent., and to carry forward $113,933.96 into Profit and Loss for 1929. The results shown by these figures have been achieved by earnest effort on the part of all members of the staff of the Company, and the General Manager is grateful for the consistent and loyal support which has been accorded him by the officers and staff of the Company at all its branches.

Features of Balance Sheet.

Dealing now more specifically with the various items on the Balance Sheet, I should point out, in the first place, the increase in Office Premises Account. This is attributable partly to the completion of alterations to the office in Toronto, partly to the completion of alterations to the new premises in Winnipeg referred to at the annual meeting a year ago, and partly to the extension of our premises in Saskatoon rendered necessary by the growth of the Company's business in the Province of Saskatchewan.

Second, the substantial reduction in the amount charged against real estate held for sale under mortgage foreclosure. This is particularly gratifying, reflecting as it does the improvement which has taken place in agricultural conditions.

Third, the increase in assets held upon Guaranteed Trust Account. This amounts to $[illegible]235,572.81 and is noteworthy as indicating the growing savings of the public. Of this increase $2,474,577.10 is on Trust Deposit Account.

The growth of this part of the Company's business has been impressive, and it will be of interest to you to compare the figures for five-year periods during the past twenty-four years, as follows:

Growth of Deposits.

At the end of 1904 Trust Deposits amounted to	$ 303,214.19
At the end of 1908	805,536.15
At the end of 1913	1,506,516.53
At the end of 1918	2,025,847.70
At the end of 1923	3,977,923.57
At the end of 1928	11,481,646.65

New Estates Business Received During Year Over $37,000,000.

Fourth, the increase in Trust, Estates and Agency Account of $17,383,000. The total assets under this heading now amount to $178,104,574.46. This, of course, represents the balance left in our hands after distribution to the beneficiaries of various estates and trusts during the year. This distribution becomes heavier each year, and amounted in 1928 to $20,110,929.31 (not including interest payments), so that the amount of new business received under this head during the year was over $37,000,000. While this increase reflects in a general way the growing importance of Trust Companies in the business life of the country, it is a very tangible indication of the appreciation by the public of the services rendered by the National Trust Company as Executor and Trustee.

Fifth, notwithstanding a considerable increase in the mortgage investments of the Company, the liquid position is very satisfactory, the liquid resources being over seventy-three per cent. of our Trust Deposits.

In considering the Balance Sheet, however, the Shareholders will recall the reference made a year ago to the work of departments which is not represented in a statement of Assets and Liabilities. These departments have rendered particularly important services to the public during the past year and there is every indication of continued activity for the coming year.

In accordance with a custom which we have followed for many years, we have made a careful survey of the Company's investments and are satisfied that ample provision has been made for any possible losses on our investments in mortgages, while the market value of our stocks, bonds and debentures shows a very substantial margin over the amount at which they are carried on the books of the Company.

Research Activity Encouraging Sign.

At the annual meeting a year ago reference was made to the question of National Research, and attention called to the beginnings already made in Canada in the intensive application of science to industry. The Federal authorities, through the National Research Council in Ottawa, have, as is well known, been carrying on for some years work of a most necessary and valuable kind in encouraging and assisting the training of research workers and in investigations into the scientific problems of agriculture, mining, manufacturing and fisheries, as well as into problems of public health. It is gratifying to note the extent to which research has been carried on and the results it has achieved. In this work the Dominion Government has been co-operating with the representatives of industries, Provincial Governments and Universities in the various provinces, and during the past year additional support has been given to the movement by the establishment of a Research Foundation for the Province of Ontario. The funds necessary for the inauguration and carrying on of the work are being provided partly by the Government of the Province of Ontario and partly by private corporations.

It is pleasing to note also the conference held recently at Regina. This conference was called by the Minister of Agriculture for the Province of Saskatchewan and had for its object consideration of means whereby the weed menace could be best combatted. The conference was attended by representatives of many organizations, and steps are being taken to carry on a campaign of education amongst the farmers of the Prairie Provinces as to the best methods of overcoming what is becoming a serious danger to the agricultural industry. We hope that the campaign so begun will be vigorously prosecuted.

The annual value of animal an field products has now reached a total which warrants authorities, both Federal and Provincial, in extending still further their efforts in research into all the branches of an industry so vital to the prosperity of the country.

These aids to research extended by the Federal and Provincial authorities place upon those engaged in the industry and business of the country the duty of familiarizing themselves with the nature and extent of the facilities offered and considering seriously how they may be applied to individual needs. For, unless private initiative avails itself of Government aid and turns it to practical and profitable use, the eventual results of that aid will necessarily be limited.

TRUST COMPANIES WILL SHARE IN CONTINUING PROSPERITY.

Great activity in the development of natural resources, additional railway extensions, increasing attention given by Dominion and Provincial authorities to the solving of problems affecting agriculture, and earnest effort in the field of industrial research, all point to continued prosperity throughout the country. With continued prosperity, increasing business will inevitably be enjoyed by Trust Companies, and in that increasing business we are confident that this Company will have its full share.

National Trust Company

Limited

Balance Sheet, 31st December, 1928

ASSETS

Capital Account:			
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton		$1,197,905.78	
Real Estate held for sale under mortgage foreclosure		147,170.68	
Rents due and accrued		3,648.83	
Mortgages:			
Principal	$3,021,512.38		
Interest due and accrued	128,713.88		
		3,150,226.26	
Loans on Stocks and Bonds		294,554.61	
Securities:			
Dominion of Canada and Provinces of Canada	$55,839.09		
Canadian Municipalities	39,253.43		
Other Bonds and Debentures	120,342.45		
Interest accrued	1,559.53		
		216,994.50	
Stocks		778,449.88	
Cash in Banks		241,455.03	
Cash on Hand		140,943.52	
Advances to Estates and Trusts		121,684.32	
			$6,293,033.41
Guaranteed Trust Account:			
Mortgages:			
Principal	$11,348,077.20		
Interest due and accrued	315,483.52		
		$11,663,560.72	
Loans on Government and Municipal Bonds		2,169,368.68	
Securities:			
Dominion of Canada and Provinces of Canada	$1,796,598.93		
Canadian Municipalities and School District Debentures	1,202,249.59		
Interest accrued	32,056.64		
		3,030,905.16	
Cash in Banks		673,897.57	
Cash on Hand		206,361.46	
			17,744,093.59
Estates, Trusts and Agency Account:			
Funds and Investments		$178,104,574.46	
			178,104,574.46
			$202,141,701.46

LIABILITIES

Capital Account:			
Capital Stock, subscribed and fully paid	$3,000,000.00		
Reserve Fund	3,000,000.00		
		$6,000,000.00	
Dividend and Bonus Declared and Unpaid:			
Dividend No. 116 due, Jan. 2, 1929		90,000.00	
Bonus of 1%		30,000.00	
Mortgages in Process of Completion		19,582.87	
Reserve for Balance Dominion Income War Tax		39,516.58	
Profit and Loss		113,933.96	
			$6,293,033.41
Guaranteed Trust Account:			
Trust Funds for Investment		$ 6,262,446.94	
Trust Deposits		11,481,646.65	
			17,744,093.59
Estates, Trusts and Agency Account:			
Estates, Trusts and Agencies		$178,104,574.46	
			178,104,574.46
			$202,141,701.46

NOTE—The assets under administration shown above do not include assets running into large figures which the Company is administering as Liquidator or Receiver under the direction of the Courts of various Provinces of the Dominion.

PROFIT AND LOSS ACCOUNT

For Year Ending 31st December, 1928

Balance 31st December, 1927	$ 52,495.07
Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.	527,949.36
	$580,444.43
Appropriated as follows:	
Quarterly Dividends and Bonus: Nos. 113 to 116, inclusive, at the rate of 12% per annum	$360,000.00
Bonus of 1%	30,000.00
To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate	76,510.47
Balance Carried Forward	113,933.96
	$580,444.43

Board of Directors:

President: SIR JOSEPH FLAVELLE, BART.

Vice-Presidents: E. R. WOOD, W. E. RUNDLE, HERBERT C. COX

HON. SIR EDWARD KEMP, K.C.M.G.
H. H. FUDGER
H. B. WALKER
J. H. PLUMMER, D.C.L.
HON. F. H. PHIPPEN, K.C.
H. J. FULLER
W. M. BIRKS
E. M. SAUNDERS
SIR JOHN AIRD
JAMES RYRIE
RT. HON. SIR THOMAS WHITE, K.C.M.G.
HARRINGTON E. WALKER
MILLER LASH, K.C.
A. McT. CAMPBELL
GEORGE W. ALLAN, K.C.
EDWARD FITZGERALD
LEIGHTON McCARTHY, K.C.
CARL RIORDON
GEORGE W. McLAUGHLIN
W. H. McWILLIAMS
W. G. MORROW
CYRUS A. BIRGE
F. F. DALLEY
THOMAS C. HASLETT, K.C.
D'ARCY MARTIN, K.C.
C. S. WILCOX
WALTER MOLSON
LT.-COL. WILLIAM LEGGAT, M.C.
JAMES A. RICHARDSON
J. A. McLEOD

FROST AND WOOD GROSS PROFITS UP TO $97,000

Increase in Domestic and Decrease in Export Sales

The 30th annual report of the Frost and Wood Company, presented at the annual meeting held recently, showed profits for the year of the Smiths Falls, Quebec and Maritime companies totalling over $97,000. After setting aside depreciation and income tax deductions, the profit and loss account is increased by $58,164.

Col. H. Cockshutt, in his address, mentioned that sales for 1928 were practically the same in volume as those of 1927. There was an increase in domestic business, which unfortunately was offset by a corresponding decrease in export business.

The report also mentioned that the proposed change in the financial structure of the company would be submitted to the shareholders at a special meeting to take place February 18th. It has passed the directors.

Manufacturing costs, due to model changes, were stated to be higher than the previous year, while inventories were reported to have been written down to the lowest figure.

National Clay Products Will Increase Capital

Following a decision reached at the recent annual meeting of the company, held in Winnipeg, the National Clay Products, Ltd., will apply for a Dominion charter and an increase in capital of $250,000. According to W. E. Hales, president and managing director, the addtiional funds are required to enlarge the Edrans, Man., plant for the manufacture of special classes of face brick.

There is at present a total of about $75,000 preferred and common stock issued and $125,000 of the increase is planned to be sold at a par value of $10 per share. It was stated that a large part of this had already been subscribed. A portion which was not taken up by present shareholders has been underwritten by N. A. Strang & Co.

The annual report announced that the earnings on the preferred stock amounted in 1928 to 8 per cent., with those on the common stock standing slightly over 5 per cent.

New Air Mail

The Financial Post has received an air-mail letter from Manchester, Robertson and Allison, in Saint John, N. B., sent in commemoration of the opening of the new Canadian air mail service from Saint John's new flying field.

Traymore Restaurants Keep Up Good Progress

Some seven weeks have now elapsed since the opening of the new Traymore Savarin in Toronto, a sufficiently long time in which to gauge public receptivity of a restaurant. Since the first of the year, however, a constantly increasing number of customers have been served daily. Service facilities are now such that no difficulty is being experienced in catering to the increasing number of customers.

Business at the older Traymore branches is reported to be up to expectations.

W. A. Mackenzie & Co., Limited
67 Yonge Street, Toronto
Telephone Elgin 7241
W. A. MACKENZIE *Member* Toronto Stock Exchange
Orders executed on all Exchanges. Same careful attention given to small orders as well as large.

Nothing Over $500

Suggestions for the Beginner in Investment Whose Capital is Limited

Suggestion No. 10 — Imperial Tobacco of Canada

By J. G. JOHNSTON

Punch, a few years ago, showed the rector of the parish accosting a small boy, who was smoking.

"My lad," said the cleric, "I'm sure your mother would disapprove of your smoking."

"She would," agreed Master Precocity, "because they're her cigarettes."

The prevalence of smoking among women has given an impetus to the tobacco business and, while one reads occasionally that fewer cigars are consumed than formerly, there is little doubt that as many men smoke nowadays as formerly, although the cigarette and the pipe may be more common than the cigar.

There is no indication that the campaign against smoking still carried on energetically by a minority is meeting with any success, or that success is probable in the near future. Thus investment in the tobacco industry is investment in an industry which has a good record, and which appears to have a brighter future.

Likely to Lower Taxes

Canadian tobacco companies have been handicapped in recent years by a disproportionate rate of taxation, especially on cigarettes. The levies were established at high rates during the war because tobacco is looked on as a luxury. In the post-war years, other taxes have been lowered at a more rapid rate than taxes on tobacco.

It was believed a year ago that the government would reduce the cigarette tax to the point where it would be no longer profitable to smuggle cigarettes from the United States. But there was a delay for reasons which are not apparent, unless the government had in mind a reduction in the rate immediately prior to a federal election. It has been argued that a reduction in the rate to something like the rates prevailing in the United States would reduce the smuggling, increase the consumption of domestic brands and, consequently, tend to maintain the revenue from cigarettes at something like their present level.

Despite the handicaps of excessive taxation, the two leading tobacco companies in this country, Imperial and Tuckett, have been reporting increasing earnings in the last three or four years and it is believed that the prospects for these companies is satisfactory regardless of the probability of a reduction in taxation this year or next.

Suitable for Small Investor

Imperial Tobacco Co. common stock is suitable to be included in the diversified list of stocks held by the small investor. It is especially suitable for the small investor for the reason that the stock is $5 par value and therefore sells on a smaller unit cost than the stocks of other companies which have proportionately fewer shares outstanding.

At $10 the share, an advance of $1 in market price is an advance of 10 per cent. The current price is 11½ so the investor can buy 40 shares of this stock for $460. The commission would be twenty cents the share.

The regular rate of 6 per cent. has been maintained without interruption since 1916 and an extra 1 per cent. was paid from 1916 to 1926. In 1927, the extra was 1½ per cent. and in 1928 the extra was 2 per cent. The current yield at 8 per cent. on $5 is less than 4 per cent., but a gradually increasing dividend rate may be expected and the directors from time to time have taken action which has justified the holding of this stock over a term. In 1928, for instance, shareholders got a stock bonus of 20 per cent., in other words they were given one new share for each five shares held.

Successful tobacco companies spend large amounts annually on advertising. Imperial Tobacco is no exception. Brands, trade-names must be kept continuously before the public and for this reason, presumably, the largest item on Imperial Tobacco's balance sheet is for goodwill, the item standing at $28,816,801. Real estate, plant, and investments in associated companies total about 50 per cent. more than the preferred stock outstanding, so that, with current assets totaling $23,900,000, there are substantial tangible and intangible assets back of the 9,102,192 shares of common stock.

Traded in Britain, Also

The majority of the common stock of Imperial Tobacco of Canada is owned by British-American Tobacco Co. of Great Britain. This does not affect the minority common shareholders adversely for there is a substantial amount outstanding with the public. There is always a ready market for this stock, for it is traded in London, Belfast, Bristol, Glasgow, Leeds, Liverpool and Manchester as well as on the Montreal curb and the Toronto curb.

It is said that Imperial Tobacco controls nearly 90 per cent. of the cigarette business and 60 per cent. of the tobacco business in Canada. As the leading company in the industry and as a company with a consistent dividend record it is ranked properly as an investment stock.

Previous stocks in this series of articles for the small investor were, in the order named: City Dairy, Shawinigan Water & Power, Steel Co. of Canada, Imperial Oil, Power Corp., Brazilian Traction, Canadian Canners second preferred, Dominion Bridge, Loblaw Groceterias.

IMPLEMENT TRADE SHOULD BE GIVEN TARIFF REVISON

So Says Col. Cockshutt Who would Conserve Market for Canadians

Colonel Henry Cockshutt, president of the Cockshutt Plow Company, moving the adoption of the directors' report at the annual meeting of the company in Brantford recently, declared that the tariff on farm implements was in need of revision.

Col. Cockshutt said, in part:

"If our Government earnestly and seriously desires to draw desirable immigrants to this country, it can most surely do it without difficulty by establishing a policy of conservation of the Canadian markets for Canadians in the implement industry. Last year, $40,000,000 worth of agricultural machinery was imported from the United States. If these machines were manufactured in Canada it would furnish employment to 10,000 hands and with their dependents would mean 40,000 more people, all of whom would become consumers of all kinds of products.

"A very slight adjustment of the tariff would do this without harming anybody, and just consider what this means to Canada. This statement also applies to a large number of other industries. The time has come when Canada needs a proper tariff to conserve her markets. Surely Canadians should have the markets that rightfully belong to them."

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SPLIT IN SHARES OF OGILVIE FLOUR TALKED OF AGAIN

Is Highest Priced Stock Listed on Canadian Exchanges

From Our Own Correspondent

MONTREAL. — Shares of the Ogilvie Flour Mills Company have sold up to the $700 mark. Once again, the old rumor of a ten for one split in the shares had made its appearance.

Some day the stock will be split. When this will take place, none can foretell except the management. And the management maintains its long continued policy of silence.

The rise in the stock appears to be substantial. But it is no more substantial than the appreciation which has taken place in the investment holdings of the company which last year were carried on the books at $9,200,000. Just why the investments are carried at this figure is an enigma, for it apparently bears no relation to the present value of the investment holdings. Ogilvie Flour Mills Company is now more of an investment than a milling company. In fact, it can be said that Ogilvie Flour Mills' balance sheet of a year ago bears little relation to existing realities—despite the strong position shown in the annual report at the end of August last.

Holds Valuable Stocks

Ogilvie Flour Mills holds in its books at low prices such market leaders as Smelters, Brazilian, International Nickel and C.P.R. Should Ogilvie Flour Mills split its shares ten for one, there seems little doubt that there will be a still further appreciation in the stock. From the investment angle, though, it is to be remembered that the management in the past has taken little interest in the market course of the shares, and has shown no particular anxiety about splitting the shares when they reached levels out of range of the average investor's pocket.

The shares, though, have been split in the past. In 1924 the present shares were split three for one so that at $700 a share, the old stock is now worth $2,100 a share.

Estimates of as high as $12,000,000 have been made for the profits which Ogilvie Flour Mills has made on its holdings of Consolidated Smelters during the last five years.

Can. Celanese Outlook is Slightly Improved

From Our Own Correspondent

MONTREAL.—The shares of Canadian Celanese continues to sag marketwise, and are being traded in the region of 18 at present. The difficulties which the company has encountered and the outlook for the future have been severely discounted. No dividends have been paid on the preferred stock, which is now some 21 per cent. in arrears. However, it seems that the time is not so very far distant when the company will be able to earn its preferred dividend. It has been estimated that with 350 looms in operation at the Drummondville plant, sufficient revenue could be obtained to pay the dividend. At the present time there are some 250 looms in operation, with the expectation of another 50 being installed shortly. When production starts from these looms the situation surrounding the company should be definitely improved. At present its output is limited to a certain extent by the demand for its products, and the keen competition in this particular field.

Canadian Celanese manufactures its own finished materials, and only sells a comparatively small proportion of its yarn to be woven by other manufacturers. Sales at the present time are understood to be quite satisfactory, and it seems probable that the company will develop an earning power something like commensurate with its capitalization, within the next eighteen months.

Western Rates Down

Retroactive to January 1, fire rates on dwellings in Vancouver have been reduced from 10 to 25 per cent., according to the class of risk involved. The decrease applied only to the old city of Vancouver and to Port Grey. The new rates are 90 cents per $100 of insurance, replacing the old rates which ran from $1 to $1.40 per $100.

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Canada Holds Position In World's Commerce

Trade Returns for Past Year Probably Best in Country's History — Wheat Plays Dominant Part — United States in Lead as Best Customer

Canada maintained her position during 1928 among the trading nations of the world. While statistics are not yet available for the calendar year 1928, it is believed that the position of the leaders remained unchanged.

Returns for 1927 show that Canada occupied fifth position in the import and export trade; second position in exports and total trade per capita; third position in favorable balance of trade, and first position in favorable trade balance per capita.

For the past year Canada's total trade amounted to $2,596,448,000, compared with a similar trade of $2,325,900,000 for the same period in 1927, the increase amounting to $270,548,000 or 11.66 per cent.

This increase was greater than Canada's total trade thirty years ago.

Returns are High

Imports in 1928, amounting to $1,222,318,000, were greater than for any previous calendar year, except for 1920—$1,336,921,000—while the Dominion's domestic exports, amounting to $1,349,751,000, were also greater than for any previous calendar year, except for 1917, when they totalled in value $1,547,341,000.

In view of the great deflation in prices in some commodities that has taken place since the record periods of 1917 and 1920, this is a remarkable achievement, and reflects a great expansion in Canadian production and in the growth of foreign markets for her varied products.

Quantity Greatest Ever

Allowing for price changes, however, the physical volume of Canada's total trade in 1928, for both imports and exports, was greater than for any previous year, the decrease in the total trade in 1928, compared with 1917 and 1920 being entirely due to lower average import and export prices. In fact, an adjustment for price changes in wheat exports alone indicates that if the average export price for this commodity in 1928 had been the same as in 1917, the Dominion's total trade would have totalled $3,027,654,000 compared with $2,639,726,000 in 1917.

Which was Feature

The outstanding feature in Canadian trade last year was the enormous increase in wheat exports. Export shipments in 1928 reached 365,428,561 bushels, value $433,767,578, the largest twelve months period on record.

The largest previous yearly record was for the twelve months ended September 30, 1924, when the total was 294,158,561 bushels, valued at $301,656,684.

Analysis of the returns show that the increase in imports from 1927 to 1928, amounting to $135,200,000, occurred in each of the nine main groups, while the increase in the domestic exports group, amounting to $131,414,000, occurred in six of the main groups. The total increase for the six main export groups that had increases amounted to $134,213,000, while the decrease in the three that had decreases totalled $2,799,000.

All Show Gains

The import groups arranged in order of importance of increases were:

Group	Total Imports	Increase
Iron and steel	$322,959,000	$74,807,000
Textiles	201,748,000	18,256,000
Non-ferrous metals	68,939,000	9,743,000
Livestock, etc.	70,213,000	9,386,000
Wood, paper, etc. .	57,319,000	6,906,000
Non-metallic miner.	162,173,000	6,768,000
Chemicals	36,964,000	3,651,000
Miscellaneous	65,742,000	2,938,000
Agricultural prod.	236,261,000	2,745,000

The domestic export groups which had increases, arranged in order of importance, were:

Agricultural prod.	$651,078,000	$104,784,000
Non-ferrous metals	103,289,000	16,232,000
Wood, paper, etc.	289,126,000	8,167,000
Iron and steel ...	70,666,000	2,835,000
Miscellaneous	17,463,000	1,104,000
Chemicals	18,357,000	1,091,000

while the main groups to have decreases were:

Textiles	$ 9,731,000	$1,196,000
Non-metallic min.	26,583,000	349,000
Livestock	163,458,000	1,254,000

Industrial Demands Greater

Examination of the figures indicates that the increase in imports, 1928 over 1927, amounting to $135,200,000, was only partially due to increased imports of raw materials. While the value of the imports of raw, semi-manufactured and fully manufactured products for Canadian industries last year amounted to $386,032,000 as against $355,186,000 in 1927; the proportion of the imports of raw materials of this amount totalled $186,458,000, semi-manufactured products $88,132,000 and fully manufactured products $111,442,000; the increase in 1928 over 1927 being; raw materials, $6,615,000; semi-manufactured products, $818,000; and fully-manufactured products $22,959,000.

Foreign Trade Greater

Imports from foreign countries during the past year were valued at $968,204,000, and from the British Empire at $254,114,000; the increase in 1928 over 1927 in the case of foreign countries being $121,475,000 and the British Empire amounted to $13,725,000; while the exports of Canadian produce to foreign countries showing an increase of $85,979,000, and the British Empire an increase of $45,435,000.

The trade of Canada, both imports and exports, with the United States exceeds that with any other country. In 1928 imports from the United States were valued at $825,741,000 and domestic exports at $492,541,000; the increase in imports over 1927 being $118,517,000, and in exports $17,964,000.

The trade of Canada with the United Kingdom comes next in importance. Imports from that area last year amounted to $190,712,000 and domestic exports to $446,137,000; the increase in imports over 1927 amounting to $8,632,000 and in exports to $36,585,000.

Imports and exports to and from Germany, the Netherlands, Japan, France and Belgium, from 1927 to 1928 show increases.

Trade Balance Less

The balance of trade has caused considerable interest among Canadians in the past year, owing to the rapid increase in imports, but the Bureau of Statistics' record for the past eight years shows the trend to have been favorable.

At the end of 1920, Canada's visible trade balance was unfavorable, amounting to $34,116,000. Since then it has been favorable. During the past three years there has been a decline in the favorable trade balance until on December 31, 1928, it was $151,812,000, compared with $392,905,000 three years ago. This decline is due in part to lower prices received for staple products exported.

NEW BRUNSWICK HAS ANOTHER SURPLUS

For Second Year in Succession Province More Than Pays Its Way

From Our Own Correspondent

SAINT JOHN.—A surplus of $198,209.36 on current account for the fiscal year ending October 31, 1928, is revealed in the annual financial statement of the Province of New Brunswick.

This is the second year in succession in which New Brunswick has been enabled to show a surplus in current account, the credit balance last year being $15,792.64, following a deficit of $61,523.44 for the year ending Oct. 31, 1926. This surplus for 1928 was shown after the deficit in the operation of the Saint John and Quebec Railway, amounting to $257,807.07 was provided for.

In addition, there were sinking funds to the extent of $247,402 provided for during the year. The consolidated balance sheet shows the net debt of the province as $38,254,371, an increase of a little more than $3,000,000 during the fiscal year.

The total revenue for the year reached a new high level at $5,785,619, an increase of over $852,000 as contrasted with the previous year.

Factors contributing to this increase included the Dominion subsidies which totalled $1,266,765, the same as in 1927 when the Dominion payments were increased under the recommendations of the Duncan Dominion Commission report; an increase of nearly $33,000 in the territorial revenue which totalled $1,205,379; $744,622 from motor vehicle license receipts and $274,388.33 from the gasoline tax, or an increase of $186,165 from these latter two sources alone; and increased liquor profits.

The net profits from liquor sales under Government control were $1,042,923.32 from which was deducted the sum of $200,732.59 for the maintenance of the recently organized provincial police force. This latter item represents the difference between the actual cost of maintaining the force and the revenue derived from their operations. Thus the provincial treasury received the sum of $880,241.21 from liquor sales. Succession duties dropped from $461,386 in 1927 to $412,759 in 1928.

Expenditures were increased by $670,000 to $5,587,410, the Department of Public Works leading the advance in disbursements with a total of $1,336,060.69, a jump of $314,000. Agricultural expenditures totalled $187,725, an increase of $26,000, while education jumped from $595,546 in 1927 to $620,482 in 1928.

Ontario Equitable Reports Income Gain

The annual report of the Ontario Equitable Life and Accident Insurance, presented at the recent shareholders' meeting held at Waterloo recently, stated that with over $8,000,000 in new business written in 1928, insurance in force now amounted to more than $40,000,000.

The total income from all sources for the year amounted to $1,500,000, which was 15 per cent. in excess of last year's figures. The premium income for 1928 was slightly more than $1,000,000. The company paid out more than $740,000, of which death claims took about $176,000.

With assets of more than $5,200,000, the company has liabilities amounting to $4,400,000. The report stated that 83 per cent. of these liabilities were to policyholders. The company's capital and surplus are given as $829,000.

Aid Tobacco Industry

Investigations instituted with the object of introducing a new marketing system for the tobacco industry in Western Ontario have reached a point where the projected plan is to be submitted to the interests involved for approval, according to Dr. N. T. Nelson, of the tobacco division of the federal Department of Agriculture. Dr. Nelson said: "We are at present concentrating on an educational campaign among the farmers in an effort to encourage quality production of varieties in the greatest demand."

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FORTY FIFTH ANNUAL REPORT

Cash Assets	$ 530,985.29
Premium Note Assets	867,248.67
Surplus Assets over Liabilities	1,372,897.36
Insurance written in 1928	24,975,401.00
Increase for the year 1928	1,841,879.00
Total amount of business in force	67,223,535.00

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A Profit of 64 Per Cent

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Details of this record are shown below. It is assumed that approximately $1,000 was invested in each stock at the time it was publicly offered and that advantage was taken of rights and split-ups. It is further assumed that stocks were sold at the market prices prevailing on February 4th, 1929.

Name of Issue and Issue Price.	Cost Price.	Present Price.	Profit.
Canada Paving & Supply Co., 7% pfd.. *At 100, plus 30% common bonus*	$1,000	Pfd. 122 Com. 38.75	$336.25
Canada Vinegars, common *At 26.50*	1,007	36.75	389.50
Canadian Dredge & Dock Co., 7% pd. *At 100, plus 50% common bonus*	1,000	Pfd. 249 Com. 84	1,910.00
Easy Washing Machine Co., common.. *At 34*	1,020	33.50	—15.00
A. J. Freiman Co., 6% pfd *At 100, plus 50% common bonus*	1,000	Pfd. 90 Com. 18	—10.00
Gosse Packing Co., 7% pfd *At 100, plus 20% common bonus*	1,000	Pfd. 82 Com., B.C. Packers 27.5	—125.00
Hayes Wheels & Forgings, 7% pfd *At 100, plus 30% common bonus*	1,000	Pfd. 103 Com. 52	186.00
Hunt's, Limited, 7% pfd *At 100, plus 50% common bonus*	1,000	Pfd. 111 Com. 49	355.00
Humberstone Shoe Co., 8% pfd *At 100, plus right to buy 1 share common at 35 for each share preferred. Further rights to buy 1 share common at 30 for each share common held.*	1,650	Pfd. cal'd at 110 Com. 35	150.00
P. T. Legare Co., Limited, 7% pfd *At 100, plus 30% common bonus*	1,000	Pfd. 94 Com. 20	
Loblaw Groceterias, 7% pfd *At 98.50*	985	130	315.00
Loblaw Groceterias, common *At 37.50 (Stock split 2 for 1 and rights)*	1,524	106.50	5,505.00
Robert Mitchell Co., 7% pfd *At 100, plus 50% common bonus*	1,000	Pfd. converted into common 3 for 1 Com. 58	1,030.00
McColl Brothers *At 100, plus right to buy 1 share common at $18 for every 2 shares preferred*	1,090	Pfd. converted into common 3 for 1, then company bought out at $65 a share	1,185.00
Pure Food Stores, 7% pfd *At 100, plus 30% common bonus*	1,000	Pfd. 95 Com. (Consolidated Food Products 13)	—11.00
Photo Engravers & Electrotypers, com. *At 29*	1,015	39.50	367.50
Stanford's, Limited *At 100, plus 40% common bonus*	1,000	Pfd. 83 Com. 8	—138.00

Total Cost.... $18,291.00 Total Profit.... $11,729.25
Average Cost $ 1,075.94 Average Profit $ 689.95

Profit, 64.13 per cent.

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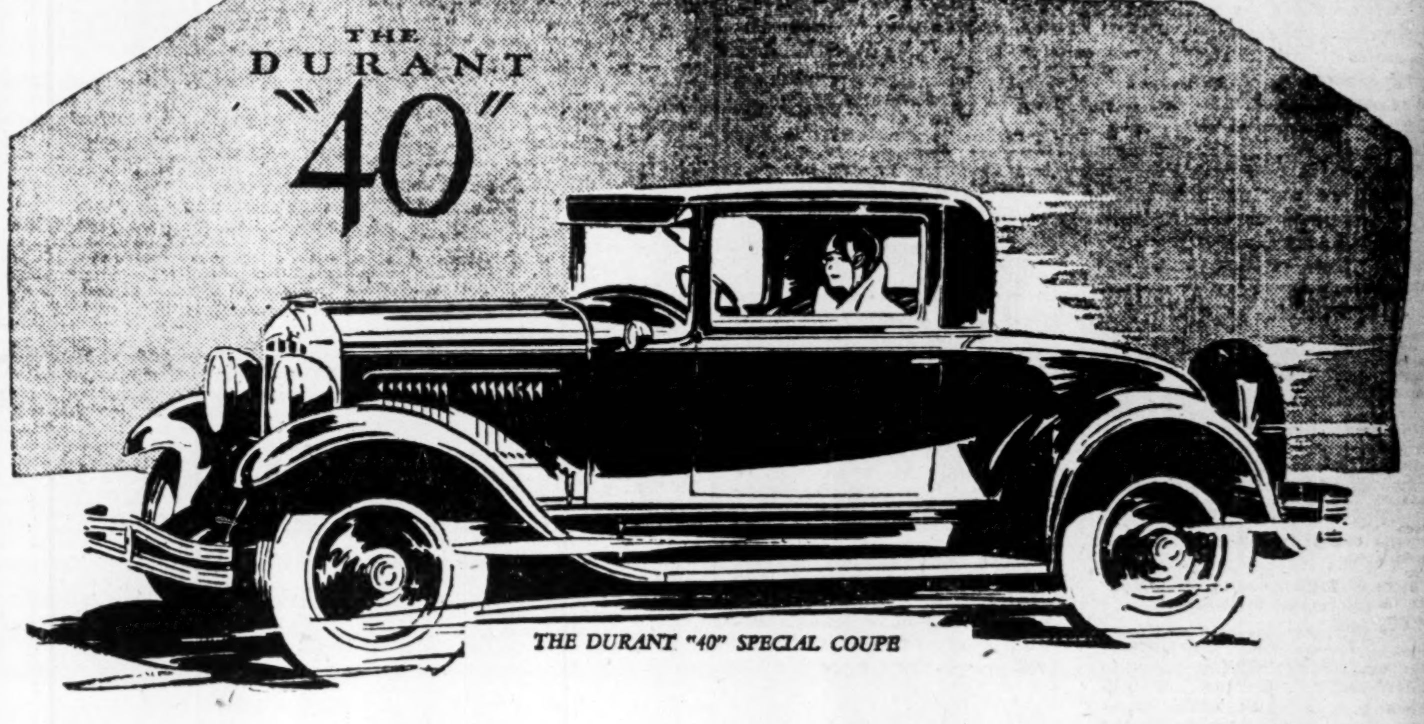

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PROVINCIAL BANK HAS AUGMENTED ITS RESOURCES

Total Assets Up By 10 Per Cent. In Last Year

From Our Own Correspondent

MONTREAL. — At the annual meeting of the shareholders of the Provincial Bank of Canada the balance sheet as at November 30 last, the end of the bank's fiscal year, was submitted to the shareholders. The figures revealed a ten per cent. increase in total assets and a general increase in the business being handled by the bank.

The income figures, showing a growth in net profits from $508,608, a year ago, to $534,248 for last year were published and reviewed by The Financial Post some weeks ago.

The balance sheet shows total assets of $55,865,809.38 as compared with $50,716,541.18 for the previous year. The deposits are nearly $3,500,000 in excess of a year ago, and liquid assets represent over 64 per cent. of the total liabilities to the public.

Increased Directors

Owing to the development of its business, the number of directors was increased to nine, to give proper representation to the various districts where the bank is operating. The new directors are Joseph B. de Boucherville, K.C., of Montreal; and Joseph Coderre, of Sherbrooke.

Mr. Coderre heads Coderre, Ltd., wholesale hardware and coal merchants of Sherbrooke.

Mr. de Boucherville, though a resident of Montreal, is one of the most important farm owners of the province of Quebec, and he is very largely interested in everything connected with the progress and development of agriculture.

The following figures compare the balance sheet position of that bank with those of former years:

Income and Surplus Account
Years Ending November 30

	1928	1927	1926
Profits	$534,248	$508,608	$454,123
Deduct:			
Dividends	360,000	360,000	304,266
Taxes	65,000	63,600	58,500
Amortization	53,817	51,034	60,539
	$478,817	$474,634	$423,305
Balance	55,431	33,974	30,818
Add pr. on. stock	......	......	220,155
Prev. balance	310,410	276,436	25,463
P. & L. balance	$365,841	$310,410	$276,436

Summary of Balance Sheet
Years Ending November 30

ASSETS

Immediately Available Liquid Assets	1928 $	1927 $
Specie	235,912	199,318
Dominion Notes	2,578,885	1,907,451
Dep. Note Circ.	204,400	200,400
Notes, Bank	594,615	522,180
Bank Balances	1,762,504	1,535,017
Bank Bal. Abr.	433,240	798,964
Govt. Secs.	7,389,224	5,569,441
Cheques	2,946,530	2,455,790
Foreign Curr.	75,642	97,535
	16,220,952	13,186,097
% Total Assets	29.06	25.99
% Total Liab. to Pub.	32.50	29.42
Other Assets		
Public Secs.	1,922,285	3,346,589
Other Secs.	2,871,425	2,119,406
Curr. and Mun. Loans	29,132,482	18,815,131
Call Loans in Can.	11,350,277	10,047,122
Real Estate	390,568	520,967
Mortgages	513,075	382,866
Premises	2,135,502	1,928,149
Lets. of Credit	21,800	27,570
Non-Curr. Loans	132,349	162,089
Other Assets	175,601	180,555
	39,644,857	37,530,444
Total assets	55,865,809	50,716,541
LIABILITIES		
To The Public		
Circulation	3,869,772	4,016,203
Demand Dep.	7,152,776	6,273,725
Savings Dep.	36,679,756	34,010,904
Due Banks Else.	26,329	17,904
Lets. of Credit	21,300	27,570
Due to Dom. Govt.	427,894	103,005
Due to Prov. Govt.	177,174	305,963
Other Liabs.	50,739	53,764
Advances	1,500,000	.....
	49,905,740	44,809,038
To Shareholders		
Capital	4,000,000	4,000,000
Reserve	1,500,000	1,500,000
Dividends	94,228	97,093
Balance	365,841	310,410
	5,960,069	5,907,503
Total liabilities	55,865,809	50,716,541

SAY LONDON FIRM ABOUT TO LOCATE IN DUNDAS, ONT.

International Vacuum Power, Ltd., Forming Canadian Company

At the annual meeting of the International Vacuum Power, Ltd., held recently in London, England, it was announced that the company is forming a company in Canada, to acquire from the London company rights to its patents. The International Vacuum Power, Ltd., hold the patents for the manufacture of automatic vacuum oil lamps and commercial pumps.

The Canadian company is to be capitalized at $1,000,000 in 40,000 preferred 7 per cent. shares, at $25, redeemable in two years or at any time thereafter at $27.50, and 40,000 common shares of no par value. A factory is said to have been secured in Dundas, Ont., with 94,000 square feet of floor-space and 4½ acres of land.

The Canadian representative of International Vacuum Power is said to have made arrangements for the distribution of the Canadian company's products and the amount to be sold by the two distributors concerned is fixed at $500,000. The managing director of International Vacuum Power is now in New York arranging for United States and South American rights, the report concludes.

LONDON & WEST. ASSETS HIGHER RECORD PROFIT

London & Western Trusts Co. in the year ended December 31, 1928, had profits of $86,958, after all deductions, which is 17.3 per cent. on the capital of $500,000, and the most prosperous in the company's history. The company paid 8 per cent. in dividends and the reserve fund was increased from $400,000 to $425,000.

There is a notable increase in total assets, the figure now standing at $33,273,664, compared with $25,679,669 a year ago. The estimates under administration likewise grew remarkably, from $20,179,233 to $26,425,770.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-Up Capital*	Profits	Earned %	Div. Rate
1923	$500,000	$67,586	13.5	7
1924	500,000	65,703	13.1	7
1925	500,000	69,377	13.8	7
1926	500,000	71,653	14.3	8
1927	500,000	71,512	14.3	8
1928	500,000	86,958	17.3	8

*Taxes deducted.

THE TORONTO GENERAL TRUSTS CORPORATION

RECORDS A YEAR OF MARKED PROGRESS IN BOTH ASSETS AND PROFITS

New Branch Office Opened in Regina—Capital and Reserve Increased—Head Office Building Enlarged—New Savings Department Announced.

Hon. N. W. Rowell, K.C., LL.D., President, and W. G. Watson, General Manager, Review Corporation's Record of Consistent Progress—Canada's Entry Upon Era of Great Expansion Explained.

The Forty-Seventh Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Head Office of the Corporation at Toronto on Wednesday, the sixth day of February, 1929, at 12 o'clock noon. The President, Hon. N. W. Rowell, K.C., LL.D., presided, and Mr. H. M. Forbes, Assistant General Manager, acted as Secretary of the meeting. Mr. W. G. Watson, the General Manager of the Corporation, submitted the Annual Report for the year ended December 31st, 1928, accompanied by the usual statements showing the result of the operations for the year.

Address of the President.

I welcome you to-day to the greatly enlarged and improved Head Office premises of your Corporation. As pointed out to the shareholders a year ago, the business of the Corporation had outgrown our office accommodation and enlarged premises were urgently required. The enlargements and alterations then outlined are nearly completed, and they will add greatly not only to the accommodation, but to the beauty and dignity of this Head Office Building.

We miss to-day our old and honored friend and fellow-director, the late J. G. Scott, K.C. Mr. Scott was one of the original Directors of the Corporation, and was present at every Annual Meeting for the past forty-six years. He enjoyed the confidence and high regard of the Directors and Officers of the Corporation throughout the whole period of its history. His long and intimate knowledge of the business of the Corporation, his fine ability and his sound judgment made him a most valuable member of the Board. The vacancy on the Board was filled by Mr. W. G. Watson, our General Manager.

Progress During 1928.

Your Corporation shared in the general prosperity which so characterized the year 1928. The new business undertaken was the largest in our history, and the total assets under administration now amount to over $181,000,000, approximately double the amount under administration in 1918. The net profits for the year also set a new record at $461,000, being $60,000 more than in 1927, which was a record year. All our branches have contributed to this satisfactory result.

New Departments for Savings Deposits.

In 1921 the Legislature of Ontario amended the Trust Companies Act so as to permit trust companies to take deposits upon the conditions defined in the Act, which are designed to afford special protection to depositors. The completion of the enlarged premises of the Corporation at Toronto will enable us to take advantage of this provision of the Trust Companies Act, and your Directors have decided to open at once a Deposit Department not only in Toronto, but at the several branches of the Corporation. This Department has long been desired by clients of the Corporation, and we believe that the public generally will find it a very helpful service.

New Branch Office in Regina.

The notable developments in the Province of Saskatchewan led your Directors to provide increased facilities for handling Trust Company business in that Province. The Corporation already had an excellent office at Saskatoon, which could handle admirably our business from the centre of the Province, North, but we only had a loaning office in Regina. During the year your Directors had the opportunity to purchase the assets of the Saskatchewan Mortgage and Trust Corporation, Limited, including their office building in the City of Regina, at a satisfactory price. This opportunity was availed of, and your Corporation's business in the southern half of the Province is now being transacted from the Regina office. We have been fortunate in securing the following as an Advisory Board for the Regina Office: The Hon. Col. J. A. Cross, K.C., Chairman; Mr. F. N. Darke, Mr. P. H. Gordon, K.C., of Regina, and Mr. William D. McIntyre of Moose Jaw. Your Directors are well satisfied with the result of the first year's operations at the Regina Office. A resolution will be submitted asking your approval of the action of the Board in purchasing the assets of the Saskatchewan Mortgage and Trust Corporation.

Industrial Developments in Prairie Provinces.

In company with Mr. Forbes, our Assistant General Manager, I visited the offices of the Corporation in the Prairie Provinces in August and September last, and had the opportunity of reviewing the business of the Corporation in these provinces and also of getting in touch with the general agricultural and industrial conditions in the West, upon which the growth of the Corporation's business in Western Canada so largely depends. One cannot but be greatly impressed with the developments in Western Canada. There is a spirit of optimism and confidence in the future of that country more marked than at any time within the past ten years and that confidence is amply justified. It is based not only on a series of excellent crops but also on the development of the other natural resources of these provinces and the industrial expansion which is accompanying such development.

We are so accustomed to think of the three Western Provinces as a purely agricultural country, that in the East we have not fully appreciated the extent of the industrial development now going on in the West, among the most notable being water power and mining developments.

In the Province of Manitoba in the year 1927 the gross manufactured products reached $132,000,000, which was only $15,000,000 less than the total value of agricultural products for the year. In 1928 it is estimated that the gross value of manufactured products reached $159,000,000, approximately equal to the total value of agricultural products for the year.

A similar development, although not on so large a scale, is going on in the Provinces of Saskatchewan and Alberta, and while agriculture constitutes and must remain the great basic industry of these provinces, diversified farming and the development of the mineral and water power resources of these provinces, with the industrial expansion which accompanies such development, is steadily broadening the basis upon which their prosperity rests.

Saskatchewan still leads as the great wheat-producing province of Canada and one of the greatest wheat-producing territories of the world, the final estimate of yield this year being 303,000,000 out of a total for Canada of 533,000,000 bushels. Alberta is making great strides in agricultural production and stands next to Saskatchewan as a wheat-producing province, the estimated yield this year being 155,000,000 bushels, about equal to the entire wheat crop of the Commonwealth of Australia.

In the northern part of these three provinces most important and far-reaching developments are taking place. New lines of railway are being constructed and others are being projected by both our great railway systems. In the opening up and settlement of these vast northern districts agriculture and industry are going hand in hand.

Development of Port of Vancouver.

The progress in British Columbia during the past year has not been less striking. Vancouver is destined to be not only the second port in Canada but one of the greatest on the continent. Last year Vancouver set a new record in shipping. Some 22,084 vessels of all classes entered the port, with a total net tonnage of 11,742,000 tons. The grain exported last year reached a total of 97,000,000 bushels as compared with 43,000,000 bushels the previous year, and total exports have increased 400 per cent. in the past seven years.

Record Year for Canada.

The central Provinces of Ontario and Quebec have enjoyed a year of widespread and increasing prosperity in almost every branch of industry, and there has been a notable improvement in business conditions in the Maritime Provinces. Judged by all the usual tests of a country's prosperity, the year has been a record one for Canada. Prosperity is so general and so obvious to-day it is no longer necessary to quote statistics to prove it. While many factors have contributed to our general progress and prosperity, two conditions are more essential than others for its continuance:

1. Sustained agricultural production. Every year marks a substantial increase in acreage under crop, and, subject to the variations from year to year, due to weather conditions, we are assured not only of sustained but of largely increased agricultural production. The second condition is continued access to satisfactory foreign markets for our surplus products, particularly the products of the farm, the forest and the mine.

Importance of Foreign Markets.

This market depends upon foreign tariffs and the purchasing power of our foreign customers. The experience of the past ten years shows that this purchasing power depends upon peace. The magnitude of our foreign trade, which in 1928 reached the great total of $2,596,000,000, makes the question of foreign markets a vital factor in our continued prosperity. Of this foreign trade, more than 50 per cent. is with the United States. The trade between Canada and the United States is larger than either country has with any other.

One of the most encouraging features of our foreign trade is its steady growth with Europe, Asia, Australia and South Africa, and the prospects for the extensions of that trade are steadily improving. The general economic situation in Europe has materially improved during the past year, and if the proposed Financial Conference, dealing with reparations and interallied debts, reaches a satisfactory solution of these disturbing problems, one confidently anticipates still better economic conditions in Europe and increased purchasing power for the products which Canada desires to export.

Conditions in China have shown a marked improvement during the past year, and while, in view of the unsettled conditions in that country, no one can foresee or foretell, the future prospects for trade are undoubtedly brighter than they have been for some years.

Outlook in International Affairs.

The execution last summer of the Kellogg-Briand Peace Pact, whereby the principal nations of the world renounced war as an instrument of national policy, and have undertaken to settle their disputes by peaceable means, should have a stabilizing effect on world conditions, and if this Peace Pact is followed by some satisfactory solution of the great problem of the limitation of armaments, many of the causes for international misunderstanding would be removed, and the prospect of continued peace among the nations placed on a surer foundation.

The exchange of Ministers between Canada and the United States is helping to promote and maintain cordial relations between our two countries, and should facilitate the satisfactory settlement of the important questions constantly arising between them. A good understanding and honorable co-operation between the British Commonwealth and the United States is essential to the continued peace and security of the world. Canada can and should make a real contribution to such an understanding. Canada's vital economic interests as well as her highest ideals should lead her to co-operate wholeheartedly in removing all causes for international misunderstanding, and to support all fair and honorable efforts to further the cause of international co-operation, goodwill and peace.

The arrival of the British High Commissioner in Canada this year, directly representing the Government of Great Britain, is an event of real Imperial significance, and the increased facilities for consultation and co-operation between the Canadian and British Governments which his presence affords should help to maintain the unity and co-operation between Canada and Great Britain which is so greatly in the interests of both. The raising of the position of the Canadian Commissioner in Paris to a diplomatic status, and the arrival of a Minister from France to Ottawa should aid in maintaining a good understanding between Canada as part of the British Empire and France.

The exchange of Ministers between Canada and Japan is also of special significance, and it is to be confidently anticipated that the presence of a Canadian Minister in Tokio will be helpful to Canadian and British interests in the Orient. These new and more intimate contacts with Europe and Asia should not only help to preserve cordial relations but to extend substantially our foreign trade.

Trust Companies Assist National Development.

Canada has entered upon an era of great expansion. On the financial side of these developments trust companies will undoubtedly play an increasingly important part. In recent years, particularly the last three years, there has been a great increase in the number of industrial and financial corporations offering bonds and stock for public subscription. All classes of investors are purchasing these securities. It is essential for their protection that there should be competent, experienced and reliable trustees for bond issues, and transfer agents and registrars for stock issues. This is the work of a trust company, and this branch of your Corporation's business has shown a great expansion during the past year.

Trust Companies share with loan, insurance and other financial companies the responsibility of providing funds for investments to aid the settlers in improving their farms and the citizens of our cities and towns in building their homes. Your Corporation is taking its full share of this class of investment, and at the present time the Corporation has mortgage investments amounting to $32,662,668.

Wealth in Canada is rapidly accumulating. A man cannot take his wealth with him when he dies, but must leave it in the hands of others to administer. The corporation which never dies and which has an efficient staff with all the knowledge and capacity which come from long exeprience in handling estates is peculiarly fitted to discharge the important and responsible duties of managing the estates of deceased persons and of protecting the interests of the widow and the orphan.

Before closing I desire to express my appreciation of the co-operation and assistance of the vice-presidents and other members of the Board of Directors of the Corporation, and of all our Advisory Boards, and to pay a tribute to the ability and fidelity with which the General Manager, the Assistant General Manager, the Branch Managers, and the entire staff have served the interests of the Corporation. The president then called upon Mr. W. G. Watson to address the meeting.

Adodress of Mr. W. G. Watson, General Manager.

The Forty-Seventh Annual Report of the Corporation submitted to you to-day registers a new "high" record not only in volume of new business assumed during the year, but also in net earnings.

Review of Year's Record Growth.

The Assets and Liabilities statement shows substantial increases in each of the three sections into which our resources fall, and in which they are kept distinctly separate and apart each from the other, viz., the Corporation's Capital and Reserve; the Guaranteed Funds held in Trust for Investors; and the Estates, Trusts and Agencies under administration by the Corporation. The total of these three sections, or $181,815,147, compares with $169,812,968 as at the 31st December, 1927, or an increase for the year of over $12,000,000.

The Profit and Loss statement, after providing for all expenses of management and other charges, as well as ascertained or anticipated losses, indicates, as you will observe, net profits for the year of $461,731.14. To this amount must be added $228,831.65 brought forward from the preceding year and $502,955 realized during the year by way of premium on the sale of $500,000 of Capital Stock of the Corporation authorized by the shareholders at the annual meeting of a year ago. These three amounts make a total of $1,193,517.79, which your directors have dealt with as follows: In payment of the usual 12 per cent. dividend, $276,601.00; the setting aside of $64,000 to cover Federal, Provincial and Business Taxes; the writing-off of office and safe deposit vault equipment, $14,244.13; the writing-down of office premises by $42,769.04; the transfer to the Reserve Fund of $500,000; and in carrying forward to the credit of Profit and Loss account $295,903.62.

Trust Company Earnings.

While in comparison with the total net profits of former years, or the earnings of other similar companies, our profits this year are highly satisfactory. I am sure that, judged by the great volume of assets under our care and management, the net profits for the year are decidedly modest.

The fees allowed Trust companies for their services as Executors and Trustees have always been and are still very moderate. The Trust Companies, therefore, during war days and since, have had to depend to a considerable extent upon an increasing volume of business, and to new departments of work to absorb the mounting costs of administration occasioned by necessarily higher salaries, new and higher taxes and the increased cost of all we have to purchase.

Mortgage Loan Conditions.

The mortgage investments negotiated by the Corporation for all accounts show an expansion in this class of security for the year of $3,308,452.64, and I am again pleased to report that in the Province of Ontario, where we had nearly $23,000,000 under investment on mortgage account, as at the 31st of December last, the arrears of interest were less than $33,000, or one-seventh of one per cent.

As to our mortgages in Western Canada, where we have a substantial amount under investment, the position of these, which showed a marked improvement in 1927, has again in 1928 registered a decided betterment, not only in the amount of interest in arrears, but also in the general liquidity of this body of investments. This same condition also applies to our sale agreements, a large percentage of which should properly be held on mortgage account but for the extra expense to the borrower in effecting the change.

Our account for Real Estate held for sale, you will observe, shows a substantial reduction from the figures of last year and our Agreements for Sale under Crop Leases have also been somewhat reduced.

Money Rates in 1928.

It is of interest to note that, while during the latter half of the year the tightness of money has had the effect of raising mortgage interest rates in the East by approximately one-half of one per cent., the average rate in the West remains about the same.

Government bonds and municipal debentures, as also call loans on these securities, have been available since last Spring at prices and rates yielding from a quarter to one-half of one per cent. higher return than that which prevailed during the first four or five months of the year, with the result that it has not been difficult to keep trust funds of a more or less temporary character, or those that under the Trust instruments must be invested in such securities, quite remuneratively employed.

Increase in Capital and Reserve.

You will observe from the statements that the half-million dollars of new stock issued by the Corporation last Spring was fully subscribed and paid for during the year, increasing our paid-up capital to $2,500,000 and realizing a premium of $502,955, which, with the exception of the odd amount of $2,955, your Directors transferred to Reserve, thus leaving that account at $3,100,000. These figures, added to the balance brought forward to the credit of Profit and Loss of $295,903.62, give us a combined Capital and Surplus of $5,895,903.62, representing a net increase in these accounts for the year of $1,067,071.97.

Enlargement of Head Office Building.

The increasing development of our business made it necessary during the year to erect upon the lot adjoining our Head Office on Melinda Street, Toronto, an addition to our office building and to effect such alterations in connection with our former office as would provide a single, self-contained unit in the way of a strictly modern office building, fully equipped to take care of our constantly growing needs. While the work, as you will observe, is not quite complete, it is, I trust, far enough advanced for you to appreciate how much improved our position will be, not alone in available area, but in the planning of space for our several departments, and also in co-ordinating our work as a whole.

You will be interested to know that the increase in working area throughout the building provided by the new addition and alterations represents nearly 85 per cent. of the former floor space. The space which the Corporation will not require for the present has practically all been satisfactorily leased, and I trust that in a few weeks we shall happily part company with the architects, contractors and workmen who have, together with our clients, tenants, officers and staff, co-operated one with another during the last few months in a fashion most commendable to all under conditions so trying to the patience and nerves as can only be fully appreciated by those who have attempted similar alterations during the occupancy of a building. Fortunately, these trials are nearing an end, and I sincerely trust that out of our "fellowship of suffering" will develop an even better understanding and esprit de corps than is sometimes possible under happier conditions.

New Savings Department.

For several years we have felt the urge of a demand from our clients and others for a Savings Department in connection with our business program, but, unfortunately, the ground floor of our head office was so limited as to make it impossible to suitably provide for such a department. This difficulty has now been overcome by our new building and alterations, and your Board has approved of opening a Savings Department, which we propose to organize forthwith, not only at Head Office, but also at our several branches throughout Canada, which we trust will prove to be of real advantage to our shareholders and friends.

Branch Office Opened in Regina.

In keeping with our policy of establishing branches in strategic centres throughout Canada, your Board of Directors availed themselves of an opportunity which developed last spring to acquire by purchase the assets, including the office premises, of The Saskatchewan Mortgage & Trust Corporation, Limited, of Regina. This purchase facilitated the opening of a branch in the rapidly growing city of Regina, where an Advisory Board was organized, composed of prominent business and professional men. This is the sixth branch of the Corporation, and already it is well underway to become what we venture to predict will be a highly satisfactory unit in our organization.

Increasing Public Demand for Trust Company Services.

As a Trust Company, "New Wealth —New Wills" should be our slogan for this year throughout our whole family of clients, shareholders, officers and staff. With increasing wealth comes increasing responsibility calling for a review of one's Will, not only as to more generous provision for beneficiaries already named therein and remembrances for others, but also in the light of new and more diversified assets and interests that changes should be made for the more experienced and trained care and conservation of the estate.

In these matters an ever-increasing number of those who are contemplating making a Will or Trust Deed are, when instructing their solicitors to draft such documents, taking advantage of our long experience in the working out of Wills and Trusts by consulting us for practical suggestions and advice in these most important and far-reaching personal matters.

That you may have some idea of the extent to which the public is turning to Trust Companies in the matter of Wills, I may say that for every Will lodged with us that became operative through death during the past year, we received fifteen New Wills to take its place, in which we have been appointed Executors and Trustees.

As a further evidence of the more extensive use of Trust Company service in these days and the growth of wealth in Canada, it will perhaps be of interest to you to know that during the past year the net increase to our assets amounted to a sum approximately equal to the total assets accumulated by the Corporation during its first fourteen years of endeavor from 1882 to 1896.

Growth of the Corporation.

The President has indicated the growth in our Assets or Resources during the last ten years. It may be of interest to trace the development of our Resources in table form from our inception, beginning with our position in 1888, or seven years after we began business, and thereafter in ten-year periods.

		Increase.
1888	$ 2,584,439	
1898	15,000,000	$12,415,561
1908	35,161,646	20,161,646
1918	90,832,629	55,670,983
1928	181,815,147	90,982,518

Nor do these figures express in any complete sense the growth of the Corporation's interests or affairs. For your information I may say that during the past year we have received no less than 59 appointments As Trustees under Bond Issues—Transfer Agent—Registrar or kindred offices which are not reflected in our Assets statement, but have had the effect of greatly increasing our staff in the departments charged with these services, as also our net returns.

Development of Trust Companies in Canada.

The twenty-four Canadian Trust Companies filing returns with the Ontario Government showed assets under administration as at December 31st, 1927, which is the latest date available, of $1,192,910,536, or an increase of $145,086,258 over the resources of the Companies making returns as at the 31st December, 1926. These figures are not only impressive because of the marked increase shown during 1927, but disclose in unmistakable terms the already important position which the Trust Companies hold in the Canadian financial structure.

Canadian Prosperity Dominion Wide.

Our Canadian West continues on its way of progress, having completed another year of marked development in which country and city have alike shared. This prosperity continues to be reflected in the East in quickened and increasingly large sales of many commodities as also in a much more liquid condition of obligations to lending organizations which have occupied such a large place during the last thirty years in the development of our great West.

It should be kept in mind that the progress in financial and industrial affairs which we are enjoying in Canada at the present time is not confined to a few Provinces, but is shared by all from the Maritimes, where substantial gains are being made as evidenced by greatly increased activities in construction, all the way across to British Columbia, a Province in which wealth is increasing and rapid development taking place in many directions.

I shall not weary you by repeating trade statistics and other figures which have been so illuminating in the reports of banks and other financial institutions issued in recent weeks, although many of these returns are startling in their growth and portent. I may be permitted, however, to point out that in foreign trade Canada now stands first on a per capita basis, fifth in volume, and third in favorable trade balance among the trading nations of the world.

Prospects for 1929.

The year 1929 opened with practically all the important factors in industry, trade and commerce present for a still greater advance in Canada than even that which we enjoyed in 1928. In other words, during 1928 we gathered momentum with the passing of the months, with the last quarter showing markedly greater progress by comparison than the preceding months. This is the vantage ground upon which 1929 starts her career, and with better market conditions prevailing in Europe and the Far East, particularly in China, and in recent days perhaps a slowly developing appreciation in the United States, notwithstanding some reports to the contrary, of the importance of Canada as a purchaser as well as a vendor of goods, should we not, as Canadians set up a program of work calling for another year of increasing expansion and progress?

We have much to be proud of and little of which to be ashamed in the past. As Canadians we should go forward with increasing confidence and faith in ourselves and the great mission to which we have been called among the nations of the world.

Tribute to Late Mr. J. G. Scott, K.C.

Our President has fittingly referred to the death which took place during the year of Mr. J. G. Scott, K.C., a charter member of the Board. I cannot let this occasion pass without registering my own personal regard and esteem for Mr. Scott. He was a most regular attendant at the sessions of the Board since first I joined the Corporation in 1897, and during the years I had come to hold him in affectionate regard, because of his cheery, happy personality and sympathetic interest in the welfare of his associates. As officers of the Corporation with whom he had to do, we shall always cherish his memory and highly esteem the happy associations of the years in which we knew him.

In closing, I wish to take this opportunity of expressing my sincere appreciation of the continued loyalty and intelligent and faithful services of the officers and staff of the Corporation at Head Office and Branches, who have contributed in so large measure during the year to the success of our enterprise.

On Motion, the following shareholders were appointed directors for the ensuing year: Hon. N. W. Rowell, K.C., LL.D.; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Charles S. Blackwell, E. T. Malone, K.C., Hon. A. C. Hardy, J. Bruce Macdonald, Lieut.-Col. R. W. Leonard, Col. J. F. Michie, Hon. Sir Daniel H. MacMillan, K.C.M.G., H. H. Williams, Thomas Bradshaw, F.I.A., Wilmot L. Matthews, Archibald H. Campbell, F. Barry Hayes, S. J. Moore, Isaac Pitblado, K.C., LL.D., Alexander Maclaren, Paul J. Myler, W. W. Near, Albert Matthews, A. E. Phipps, Charles S. MacInnes, C.M.G., K.C., LL.D., W. G. Watson, T. A. Russell.

At a subsequent meeting of the Shareholders, the following officers were elected: President, Hon. N. W. Rowell, K.C., LL.D.; Vice-Presidents: Major-General Sir John M. Gibson, K.C.M.G., K.C., LL.D., Charles S. Blackwell, E. T. Malone, K.C.

The TORONTO GENERAL TRUSTS CORPORATION

"Canada's Oldest Trust Company"—Established 1882

Financial Statement for Year Ending 31st December, 1928

PROFIT AND LOSS ACCOUNT

Balance 31st December, 1927	$	228,831.65
Net Profits for year after deducting all Management Expenses		461,731.14
Premium on Shares issued during the year		502,955.00
	$	1,193,517.79
APPROPRIATED AS FOLLOWS:		
Quarterly Dividends Nos. 127, 128, 129 and 130 at 12% per annum, and interest on new Stock Subscriptions	$	276,601.00
Federal Provincial and Municipal Taxes		64,000.00
Office Equipment purchased during the year		14,244.13
Written off Office Premises		42,769.04
Transferred to Reserve Fund		500,000.00
Balance carried forward		295,903.62
	$	1,193,517.79

ASSETS

CAPITAL ACCOUNT		
Office Premises	$ 1,225,000.00	
Real Estate Held for sale	277,865.81	
Mortgages and Agreements for sale	3,136,162.77	
Loans on Govt. and other Securities	227,768.80	
Government and other Securities	232,867.35	
Loans to Trust Estates	566,321.29	
Cash in Chartered Banks, etc.	297,639.89	
All other Assets	55,929.63	
		$ 6,019,555.54
GUARANTEED TRUSTS ACCOUNT		
Mortgages	$ 11,926,587.06	
Government and Municipal Debentures	2,724,677.32	
Loans on Govt. and Municipal Debentures	613,431.63	
Cash in Chartered Banks	164,901.10	
		$ 15,429,597.11
ESTATES, TRUSTS AND AGENCIES		
Investments and Cash in Chartered Banks	$ 58,196,031.29	
Original Assets of Estates, Trusts and Agencies at inventory value	102,169,963.56	
		$160,365,994.85
		$181,815,147.50

LIABILITIES

CAPITAL ACCOUNT		
Capital Stock	$ 2,500,000.00	
Reserve	3,100,000.00	
Dividend No. 130, due Jan. 2, 1929	74,759.00	
Federal Income Tax, Payable 1929	32,139.73	
Unearned Rents	16,753.19	
Profit and Loss	295,903.62	
		$ 6,019,555.54
GUARANTEED TRUSTS ACCOUNT		15,429,597.11
ESTATES, TRUSTS AND AGENCIES		$160,365,994.85
		$181,815,147.50

Copy of complete 1928 report will be mailed on request.

OSHAWA IS PLANNING COMMUNITY FACTORY

What is probably the first industrial community plan of its sort to be tried in Canada, will shortly come into being in Oshawa, Ont., if present plans of industrial leaders are endorsed by city and provincial authorities. It is planned to erect upon property to be acquired by the city, a substantial community industrial building, which will provide space for a number of industries desiring to carry on light manufacturing but not prepared at this time to erect their own factories. This first community factory unit will probably be some five stories in height and each floor will contain several thousand feet of floor space divided to suit individual tenants and leased to them at a nominal rental.

The idea back of this is to bring new industries to Oshawa, in the belief that once they are established their expansion and growth will be sufficient to shortly warrant building their own factories on land adjacent, which the city proposes to reserve for industrial purposes.

Foshay Co. Buys Cargill (Ont.) System

Foshay Co., of Minneapolis, have purchased the Cargill Electric Light & Power Co., and will link the system with its system serving a number of other communities in Bruce County, Ont.

The Foshay interests now serve Walkerton, Wiarton, Southampton and Port Elgin. The Ontario Hydro is competing with the private interests for support in that district.

Joins J. R. Timmins & Company

Charles C. Butterworth, formerly connected with E. A. Pierce & Company since the opening of their branches in Canada, has become associated with the Toronto Office of J. R. Timmins & Company, members of the New York Stock Exchange, as office manager.

Sell Debentures of U. of West. Ont.

Coupon debentures bearing 4½ per cent. interest of the University of Western Ontario, have been offered at prices ranging from 99.8 for the debenture due July 2, 1929, to 95.29 for the debenture due July 2, 1958. Yields vary from 4.9 to 4.8 per cent.

The issue is guaranteed unconditionally by the Ontario government. Of the total issue, $7,000 is due this year and the amount due annually increases until, in 1958, the final amount of $26,000 is due. The debentures are registerable as to principal.

The offer is made by A. E. Ames & Co., Ltd.

Toronto General Director

At the annual meeting of Toronto General Trusts on February 6, T. A. Russell, president of Russell Motor Co., was elected a director. C. G. Spencer, president of the Spencer Grain Co., was elected to the Winnipeg advisory board, and W. E. Matthews was elected to the Ottawa advisory board.

Ten-Cent Groceries

Following similar action on the part of the United States section of the F. W. Woolworth chain, the Canadian stores will go out of the grocery business. Canadian Grocer publishes an article dealing with the company's reasons for closing its grocery departments in its 5-10-15-cent stores. The competition by independent stores, through an inferior line of products is given as the main reason. Also, it was found in many Canadian stores that the returns from the grocery departments were not as large as the returns of other merchandise occupying the same store space.

Still Optimistic on Nickel; Noranda Announces Refinery

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Howe Sound and Granby Copper Suggested for Canadian 'Change

OLD FRIENDS STILL BOOST PEND OREILLE

Group Behind Company Undaunted by Warren Statement

SMELTERS IS OUT

Consolidated Not Interested in Property—Excellent Opportunities Claimed for Enterprise

The recent visit of President Lewis Larsen of Pend Oreille Lead and Zinc Mines to Toronto and Montreal, has again given rise to rumors of Consolidated Smelters taking control of this interesting property. It was largely on the strength of this report on the occasion of Mr. Larsen's visit last spring, that Pend Oreille was run up from prices ranging in the ten dollar neighborhood, to a high of $25.50.

James J. Warren, president of "Smelters," has categorically denied any association of his company with the Pend Oreille, Grandview, or Reeves McDonald mines, in the Metaline district.

Smelters Not Interested

The Consolidated Company, he states, has not now and never has had any interest in these properties, or in the shares of any of them.

"Furthermore, no offer has ever been made by or to the Consolidated company in connection with the acquisition of these properties, or any of them, or of the shares of any of them.

"Finally, no negotiations are or have been pending for the acquisition of an interest in any of these properties, or the shares of any one of them."

President Warren's statement comes at a time when Smelters' rumors have been unusually strong, and definite.

Those in close touch with the situation are quite willing to concede to Mr. Warren's statement, but they say, that does not indicate that prominent officials both of Smelters and of the C. P. R. as individuals are not closely connected with Pend Oreille.

Regardless of whether Smelters directly or indirectly is associated with the property, the opinion prevails that they have pushed the stock in the past and that Pend Oreille is selling below its actual value. It is understood that the C. P. R. will extend its lines to open up the Metaline Valley, and President Larsen has definitely committed his company to the construction of an electrolytic zinc smelter.

Pend Oreille's holdings are situate on the Pend Oreille River in the northeastern part of the State of Washington at, and north of, the town of Metaline Falls. They comprise 2,000 acres and run up to the Canadian boundary where they adjoin the Reeves MacDonald mine which is located in British Columbia. Pend Oreille owns a 60 per cent. interest in this property, a block three miles long, and a mile and a half wide.

Capitalization is Low

In estimating the value of Pend Oreille there are several factors to take into consideration. Its capitalization is low, consisting of $1,400,000,—400,000 7 per cent. preference shares, and 1,000,000 common shares of $1 par value, of which 173,000 preference shares and all the common have been issued. L. P. Larsen, president of the company received 600,000 common shares as vendor stock, all of which are reported to be held intact. It is stated that at least three years further exploratory work is required before the full extent of the possibilities of the property will be known. Diamond drilling has already proved ore to a depth of 1,800 feet, and unofficially

(Continued on page 21)

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Tough-Oakes-Burnsides Situation is Explained In Director's Statement

Rich Ore at Bottom of Mine Proved Small Pocket

FUNDS EXHAUSTED

Shut Down in Interests of Creditors, Bondholders and Shareholders Alike

Full information on any point connected with the workings of the Tough-Oakes-Burnsides Gold Mines Ltd., is available to any responsible, interested party, states President A. Burt in a statement forwarded shareholders by the English director, which sets out in detail, matters relating to the financing of the last undertaking and the results secured by development work.

The director's action follows an investigation of the property by John Reid, acting on behalf of the Attorney-General's department. Mr. Reid's conclusion was that the known ore had been mined.

The director's statement embodies the information given the Financial Post's Northern Mining Editor by Mine Manager Stuart in an exclusive interview published early in November, prior to the complete closing down of the property.

The director's statement follows:

Nothing to Conceal

"The following statement is issued to give a clear view of the financial position and the events that have brought it about; and it may be stated at the outset that full information on any point connected with the company's working will be gladly given to any responsible interested party, there being no desire to burke any enquiry.

"The circular issued at the end of 1927 set out in detail the situation at the mine as reported by the manager, who amplified his statement at the general meeting in December, at which the issue of $400,000 of bonds was authorized. It was then stated that this amount would suffice to sink the main shaft to a depth of 3,000 feet, carrying out at the same time a systematic plan of lateral work. It was also estimated that the sum of $300,000 would be ample for the first year's working. The estimates submitted gave every reason to believe that this would be the case, and the directors' proposal to issue only that amount at first was duly approved by the meeting and by the guarantors of the issue. Of this issue some $48,000 was taken up by shareholders, the remainder being taken and paid for immediately by the guarantors.

Proved Disappointing

"A considerable amount was laid out as capital expenditure on plant, etc., but a great deal also on lateral work other than that included in the scheme. This particularly applies to the work on the No. 3 vein system, which, at first offering the brightest prospects, proved eventually a disappointment. As a result the proceeds of the first issue were practically exhausted by the end of June last, with the shaft at a depth of 1,900 feet. Since that date, with the promised reduction of expenditure not being realized, the guarantors, who had paid a further $60,000, considered it necessary in the common interest of creditors, bondholders and shareholders alike, to close down for the time being with a view to reorganizing the whole business and clearing off outside debts. The directors also felt that this was the only reasonable course to adopt, as winter conditions would increase the cost of working, and with the knowledge of past disappointments it was impossible to rely on any hope of productive development in the near future. The veins cut in the shaft between the 1,600 and 1,900 foot levels, while encouraging as evidence that values exist at greater depth than yet reached, give no assurance of a sufficient supply of ore to justify operations being maintained on the old basis.

"While not desirous of discussing unauthorized statements, and the rumors inevitably circulated in such cases, the fact may be recalled that the books of the company were fully audited up to June 30 last, and that no discrepancy existed, except as between hopes and fulfilments.

"This circular letter has been delayed owing to the manager's illness, contracted on voyage to England, where he was due to give some necessary information to the bondholders.

Rich Ore a Pocket

"In view of recently published statements, it is now formally declared by the manager that the rich ore said to have been found at the bottom of the mine was, in fact, a small pocket of high-grade ore, totally insufficient to justify continuation of then existing operations, in view of approaching exhaustion of funds.

"The English underwriters of the bond issue have requested the Agent-General for Ontario in London to make a full examination of the records of the company's head office in London which cover all transactions over a period of 15 years."

Development Pays Cost Plus Profit

From Our Own Correspondent

NELSON, B. C.—The Noble Five mill is performing two shifts a day, treating 45 tons of Deadman development ore each 24 hours.

The mill is operating with efficiency, and turning out a high concentrate for both lead and zinc.

Money coming into the treasury exceeds the outgo, though there is no mining in the ordinary sense, only development ore being taken out, and though 60 per cent. of all expense is for development. In other words, development of the Deadman shoot is paying not only for itself but for all other development work being carried on, and for all other expense, including overhead, and besides is yielding a profit.

LAKE SHORE MINE STEPS UP TONNAGE BY END OF MONTH

Will Soon Rank Next to Hollinger as Gold Producer

"Lake Shore has all the earmarks of developing into the most outstanding gold mine Canada has ever known," declares an enthusiastic mining man after a recent inspection of the Kirkland Lake Mine. Underground development is being carried along in an impressive manner, while steps are being taken to place the mill in a position to handle the load. The present daily tonnage is running over 1,000 tons and the addition of another ball mill is expected to bring tonnage up to 1,300 to 1,400 tons a day by the end of February. This would indicate that Lake Shore will step ahead of Teck Hughes and rank next to Hollinger as the largest Canadian gold producer. At the present time the monthly output is estimated at over $500,000.

Stopes are Large

Underground development is most impressive on the 1,000 level a continuous stope on this vein has been opened up for 2,200 ft. will average over 12 ft. in width. A branch vein has also been found above the 1,000 level, and a second branch vein has been found above the 400 level, both carrying high-grade ore. On the 1,600 level, 1,800 ft. of ore has been opened in No. 2 vein. The new shaft is below 1,400 ft. and is being continued to 2,000.

Thompson-Cadillac Makes Stock Offer

Thompson-Cadillac Mines is offering to shareholders of record at the close of business on January 25th last the right to subscribe for additional shares of the company at 25 cents a share, on the basis of one new share for every six shares of record on the books of the company as of that date. Rights will expire at noon on Friday, Feb. 15. Subscription rights are not transferable, it is stated, and subscriptions for fractional shares will not be accepted. The directors announce that an offer has been received for the purchase of all shares now offered and not subscribed for by shareholders. Subscriptions will be received at the office of the Trusts and Guarantee Company, Toronto. The three-compartment shaft at the Thompson-Cadillac has now reached a depth of 574 feet and it is expected that the station and the sump will be cut at the 600-foot level by the fifteenth of this month. As soon as the shaft is completed crosscuts will be started to intersect the No. 2 vein 80 feet to the north and the No. 1 vein approximately 20 feet to the south.

Another Strike Made At Bobjo Gold Mine

Highgrade ore is reported to have been uncovered in test-pitting at the Bobjo Mine over 100 feet from the original discovery. The vein, it is stated, has been uncovered for a length of over one hundred feet, disclosing heavy impregnation of gold, the richer part of which is being hand sorted and bagged.

Advantage is being taken of the good condition of the winter roads to transport machinery and supplies to the property preparatory to an extensive underground development.

The original showing disclosed unusually high values for a distance of over 30 feet, including a number of sections carrying visible gold. The high grade ore shoots occur in a wide zone of quartz and schist, resembling conditions encountered in the early days of the Dome Mine at Porcupine, and which are believed to be indicative of big tonnage.

Bobjo's initial financing has provided the sum of $300,000 to take care of preliminary exploration and development work.

Pon-Dokis Mines Will Sink Shaft

Pon-Dokis Mines announces a contract is being arranged to sink a shaft at Pit No. 3, located a short distance from where a diabase dike cuts across the mineralized zone on its group of claims in the Township of Pontiac. Material and equipment for the shaft operations will shortly be taken in via Cheminis and Labyrinth Lake. The work will be under the supervision of P. H. Crawshaw, the company's engineer, on whose report and recommendations the directors have planned an extended development program for this season. This includes further exploration to determine, if possible, the extent of the mineralized zone, which magnetometer observations show to be of greater extent than first indicated, also extensive surface exploration of the company's other properties in Pontiac and Dokis townships. Considerable activity in this district this coming spring is expected as several new groups are planning to work on nearby properties.

NORANDA TO BUILD REFINERY

British Metal Corp. and Nicholas Copper Co. Will Aid

ARRANGING DETAILS

Probable Site Will be on St. Lawrence River or in Maritimes

Noranda Mines will erect a large customs copper refinery somewhere in Eastern Canada. Announcement of the company's intention was made public in a statement issued by President J. Y. Murdoch, this week.

"Noranda Mines, Limited" he states, "has caused to be made application for incorporation of a new company, the object of the new company being the construction of a customs copper refinery in Eastern Canada. Investigations are now being made to determine where and when the refinery is to be built. Associated with Noranda are the British Metal Coporation of London, England, and the Nicholas Copper Company of New York."

Beyond the brief announcement no further word of enlightenment has yet been made by Noranda's president who is at present in Quebec, where it is believed further details connecting the plan are being attended to.

For some time past it has been known that Noranda has been considering the erection of a copper refinery, and it was generally believed that as both itself and the International Nickel Company of Canada were in need of such a plant, some arrangement would be made whereby the two companies would jointly finance such an undertaking.

Important Connections

While it is understood Noranda will control the new copper refining company, in its two partners in the enterprise, the British Metal Corporation of London, England, and the Nichôlas Copper Co. of New York, it possesses a connection both in the producing and selling end of the metal market of outstanding importance.

British Metal Corporation, it is said, not only represents some of the most prominent banking and mining interests in Great Britain, but also has the support of the Imperial Government.

The corporation was organized in 1918 with the object of placing British interests in the dominating position formerly occupied by Germany in the world's non-ferrous metal trade. It was with this corporation that Noranda secured a contract for its entire output of blister copper.

A Canadian subsidiary, British Metal Corporation (Canada Limited) is engaged in developing several mining prospects including the Stirling Mine, a lead zinc prospect on Cape Breton Island, N.S., and the Tetrault lead zinc mine in Montauban Township, Que.

Large U. S. Operator

The Nicholas Copper Co., operates one of the largest copper refineries in the world with a capacity of 500,000,000 lbs. per annum. It has been in business near New York for over 60 years, and at the present time is engaged in the construction of a refinery at El Paso, Texas, in association with the Phelps Dodge Corp., Calumet and Arizona Mining Co., and the New Cornelia Copper Co.

Site Not Chosen

The location of the proposed refinery, has not been announced and it is doubtful if the matter has been definitely decided on as yet. It is generally conceded that it will be built on a site accessible to ocean transportation, either on the St. Lawrence or somewhere on the seaboard

(Continued on page 21)

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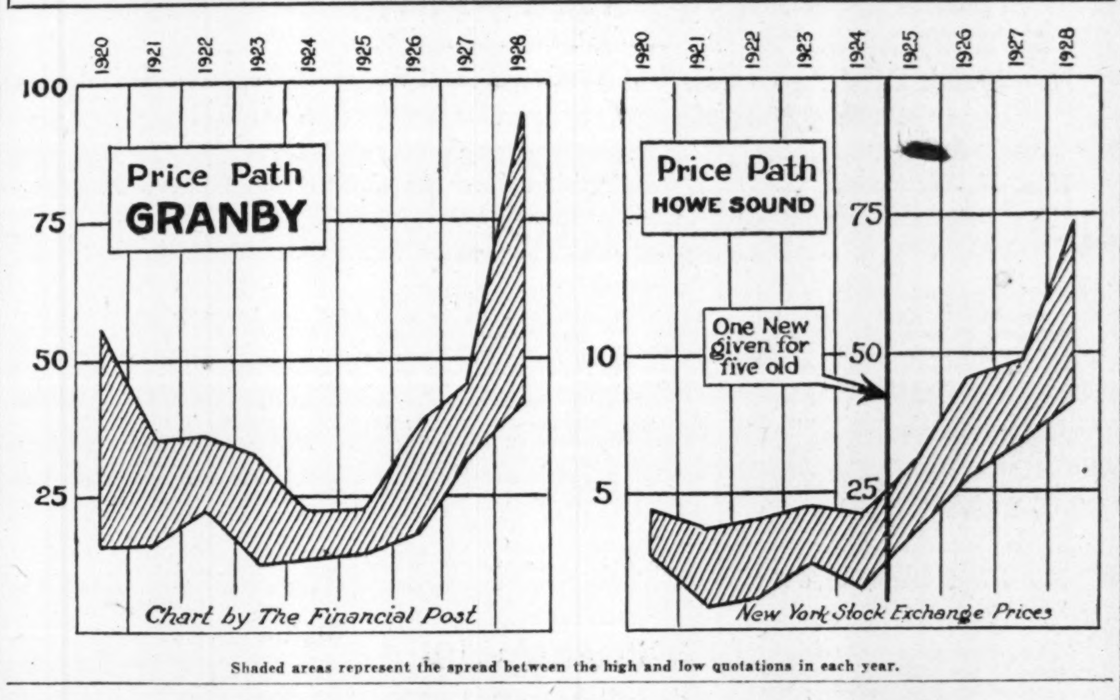
Stock Market Record of Two Copper Stocks



Shaded areas represent the spread between the high and low quotations in each year.

Two of Canada's Biggest Mines Producing Large Copper Tonnage Are Unknown to Most Canadians

Granby May Earn as Much as $12 in Coming Year

HAVE SOUND RISES

New York Stock Exchange Lists Both Companies—Canadian Exchanges Do Not

Rise in the price of copper to around 17 cents a pound has been taken generally as heralding the dawn of a new era of prosperity for the copper producers. Stocks of all the copper mining companies have shown striking advances in the past year, of which the following examples may be quoted to show the trend:

Income and Surplus Account, Years Ending

	Low 1928	High 1929	Present Price
Am. Smelt.	169 Feb. 27	298 Dec. 31	*119
Anaconda	*54 Jan. 18	120 Dec. 31	127
Cev. Pasco.	58½ Jan. 3	119 Nov. 20	107
Chile Cop.	37 Mar. 5	75 Nov. 30	92
Granby	39 Feb. 18	93 Dec. 19	90
Greene Can.	89 Jan. 19	177 Dec. 24	180
Inspiration	18 Feb. 25	49 Nov. 23	48½
Int. Nickel	73½ Feb.24	269½ Dec. 19	67
Kennecott	80 Feb. 20	156 Dec. 31	161
Magma	43¾ Feb. 27	75 Nov.20	73
Miami	17¾ Jan. 5	33 Dec. 31	34⅛

*After 3 to 1 split-up.

Canada has always ranked in a comparatively minor position among the world's copper producers, but the dazzling developments at Sudbury and Rouyn and in Northern Manitoba, added to our present production in British Columbia, have aroused hope that this country will step up amnog the leaders and in a few years produce as much as a fifth of the world's copper.

Several Copper Stocks Now

Stocks like International Nickel, Noranda, Sudbury Basin, Sherritt-Gordon, Hudson Bay Mining and Smelting, Coast Copper and, to some extent, Consolidated Mining and Smelting, have found the impetus for recent advances chiefly in the improved world copper situation, and the probability that they can continue for many years to earn very good profits on the production of copper and other metals found along with their copper.

But two of Canada's leading copper producers are hardly known to Canadian investors. Only recently have Canadian investors begun to study the position of Granby and of Howe Sound, and those who have bought these stocks have had to put their transactions through the New York Stock Market since neither stock is listed on any Canadian exchange. New York financial analysts have recently written rather optimistic reviews of these two securities, and with fairly authentic forecasts of higher earnings the stocks have had substantial advances. Nevertheless, a number of observers of the copper stocks are of the opinion that neither stock has fully discounted its possibilities.

Both Are in B.C.

Granby owns a number of British Columbia properties and operates at Anyox a very large and important copper smelter at which costs have been steadily reduced. It controls coal mines and water power.

Howe Sound divides its production between a silver-lead mine in North Mexico and the Britannia Mine and smelter, not far from Vancouver, on the Pacific coast, where copper is the chief metal.

Granby's Output Grows

Granby produced about 58,000,000 pounds of copper in 1928. Final figures have not yet been issued. This was at the rate of 129 pounds per share. It is expected that Granby will produce 65,000,000 pounds of copper in 1929. As there are about 450,000 shares outstanding, this amounts to about 144 pounds per share.

Thus each $90 invested in a share of Granby represents a mortgage on the profits from that much copper annually. Copper may average 17 cents a pound in 1929. Granby's costs have got down below 9 cents a pound, and should not exceed 8.75 cents a pound in 1929. That 144 pounds of copper then works out to about $12 per share profit. This is the current estimate of Granby's 1929 earnings.

Say 'Twill Earn $12

Indicated earnings for 1928 are between $7 and $8 a share. This figure is, however, before depletion and depreciation. In reality, though, the expected life of the mine is so great that the appropriations to depletion and depreciation are really only a book-keeping transaction for tax purposes. Granby's recent dividends have actually been paid out of the depletion and depreciation fund. Really, what the company did in 1927 and 1928 was to transfer from earnings to depletion and depreciation account enough to meet the current dividend of $4, which meant that for tax purposes the shareholders were able to consider their payments as return of capital. Whether or not this procedure will be followed in the future is hard to determine from recent declarations but in any event Granby has been put upon a dividend basis of $6 per annum which means that the current yield is nearly 7 per cent.

Copper Production Climbing

The big thing about Granby is its steady increase in copper production combined with an equally steady de-

(Continued on page 21)

Both Show Growth In Earnings

	Howe Sound				Granby			
	Bullion Value	Net Income	Earned per Share*	Divs. Paid	Gross Sales	Net Earnings†	Earned per Share	Divs. Paid
1922 ..	$ 3,064,766	$ 226,063	$ .11	None	$5,364,063	$8,081,000	$4.25	None
1923 ..	6,215,585	367,257	.19	None	7,759,726	777,327	2.25	None
1924 ..	6,132,697	415,080	1.05	.03	6,203,833	832,392	2.40	None
1925 ..	8,684,938	947,306	1.91	.44	6,846,627	1,107,234	3.20	None
1926 ..	13,797,373	2,697,749	5.44	3.50	8,840,029	1,871,911	5.45	None
1927 ..	13,393,179	2,142,116	4.32	4.00	8,483,745	1,428,580	3.25	$1
1928 ..	15,338,813	2,649,068	5.34	4.00	......	......	7.50‡	$3

*After depletion, interest, taxes, etc.
†Before depletion, but after bond interest etc.
‡Estimated.

Suggest Canadian Listing For Howe Sound, Granby

Although unknown to the large majority of Canadian investors and mining stock speculators, Granby and Howe Sound both have their followers, especially in Toronto and Montreal, where a few brokers have brought them to the attention of their clients. One of the Toronto brokerage offices, that has a limited number of clients, has no less than fifty holding Granby, a few of whom hold Howe Sound as well.

The suggestion has been heard in brokerage circles recently that both Granby and Howe Sound should be listed in Toronto or Montreal or both centres. It is recalled that the Mond Nickel's possibilities went virtually unreflected in the market price of that stock until the shares were listed in Toronto, largely in response to suggestions made in The Financial Post about twenty months ago.

"If we had on our Canadian boards a group of copper stocks it would give additional life and breadth to our exchanges," said one broker this week. "We have a small group now, including Nickel, Sheritt-Gordon, Noranda, Hudson Bay and some smaller ones. If we added Granby and Howe Sound—both Canadian operations—to the list, our copper group would be rather impressive. Investors would study the copper stocks as a whole and would in the course of years, benefit materially from the diversification of the interests."

SEES NICKEL JUST AS GOOD NOW AS EVER

Multiplied by Six Dampens Not One Broker's Enthusiasm

FORMER HOPE PROVED

Reports of Drill Holes of Year Have Been Evolved Into Definite Values in Frood

Fluctuations in the market value of International Nickel shares in the last week or ten days have kept brokers busy attempting to advise their clients.

Brokers who have been consistently wrong on this stock have been advising sales at present levels. Brokers who have been consistently right have been advising their clients to continue to hold. And there has been some important buying at present levels.

It was rumored Wednesday that a large brokerage house had reversed its position on Nickel. But it was just a rumor, born, perhaps, of the hope of someone who had sold short. The house referred to speedily stated that it was as strong for Nickel for a hold as ever it had been.

Says Hopes Near Certainties

One broker, who evidently has reliable information, said that he believes the stock at present levels as attractive as it was at the same level before the six-for-one split. He argues that, when Nickel was in the sixties before the split, a few diamond-drill holes were the only evidence of the fabulous wealth of the Frood ore body. But now, the company knows what the Frood ore body contains and what were merely hopes before are virtual certainties now.

Moreover, it was asserted, the company will earn $140,000,000 in the year following the completion of the new smelter.

"That is in 1932?"

"No, sir," came the reply, "that will be in the fiscal year ending June 30, 1931."

Next Statement Better

From the same source it is gathered that the International Nickel statement for the final quarter of 1928 will show a remarkable increase over the third quarter, when profits available for preferred and common dividends totalled $3,218,249, compared with $8,304,771 for the nine months.

The technical position of Nickel may not be as good now as formerly, in the opinion of some brokers, for the reason that there has been much indiscriminate buying by a portion of the public at high prices and it is believed that, in the event of a market depression lasting some time, these same buyers would be likely to sell with as little discrimination as was used in the buying.

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MINING CORP. WORKING HARD IN MANY FIELDS

Is Developing Properties in Ontario, Quebec and B. C.

Mining Corporation's total silver production for the last quarter of 1928 amounted to 232,571 ounces of an average grade of 17.64 ounces per ton, shareholders are advised in the quarterly statement that has just been sent forward. The mill of the Cobalt Reduction Co., was operated at capacity treating ore from the Cobalt and South Lorrain properties.

During the period three carloads of cobalt ore and one carload of high grade ore were shipped direct to the smelter from the Frontier and Crompton properties. In addition one carload of hand sorted high grade ore was shipped from the Cobalt properties.

Murray Shaft Down 400 Ft.

At South Lorrain a two-compartment shaft is being sunk to approximately 300 feet for the exploration of a large group of claims owned by the corporation two miles east of the Frontier. A depth of 130 feet has already been attained and sinking will be completed and lateral work started during the coming period.

At the Murray property in Rouyn Township, Quebec, shaft sinking has now attained a depth of over 400 feet. A station will be cut and short crosscuts run at the 500 foot level, at which horizon diamond drilling will be done while the shaft is continued to approximately 900 feet.

On the Bell River, north of Senneterre, Que., diamond drilling is in progress on a group of claims under option to the corporation. Values to date have been low though the presence of a wide body of iron pyrite and pyrrhotite has been proven.

Two parties of prospectors are being retained during the winter months in the Shoniah and Pickle Lake fields.

Purchase B. C. Property

Mining Corporation has entered into an agreement to purchase a 35 per cent. interest in a company about to be formed to acquire a silver, lead zinc property near Field, B. C., on the main line of the C. P. R. The company to have an authorized capital of 3,000,000 shares of no par value, 2,000,000 shares to be issued at once.

The holdings consist of two square miles covering about 10,000 feet of known horizons.

Three known ore bodies have already been developed, approximately 225,000 tons in the West Monarch, the length of the orebody being over 700 feet, averaging 125 feet in width and about 23 feet in thickness. Samples average 1.09 oz. silver, 15 per cent. lead, and 12 per cent. zinc.

The East Monarch orebody has 25,000 tons developed in a body 140 feet long, 5 feet wide and 23 feet thick, of a grade of 2.0 oz. silver, 18 per cent. lead and 12 per cent. zinc.

The Kicking Horse orebody has 50,000 tons developed, averaging 3.0 oz. silver, 5 per cent. lead and 15 per cent. zinc. This orebody averages 100 feet in width, 250 feet in length and 18 feet in thickness. The faces of all orebodies are in ore.

Mining costs have been estimated at $1 per ton on the basis of 300 tons mined per day. Milling costs $1.50 and fifty cents for depreciation.

A mill with a capacity of 100,000 tons is being designed for erection during the coming summer. All faces are in ore but every effort will be made to increase ore reserves during the period of mill construction to a point where a larger mill capacity would be justified.

In addition to the three known orebodies, there are other favorable geologic points which justify immediate development with reasonable chance that such work will expose new orebodies.

The grade of ore has improved in the Monarch orebodies as distance is gained into the mountain and the possibility of large additional tonnages with increasing values, particularly in silver, are attractive. The mill should begin operations in the late fall and should continue without interruption, with a capacity of 300 tons a day.

Ventures Ltd. to Issue Stock

Ventures, Limited, shareholders have approved an issue of additional stock at a price not exceeding $5 a share. Of a total authorized issue of 10,000,000 shares, there are at present 6,000,000 shares outstanding. The principal holdings of the company include a stock interest in Falconbridge Nickel, as well as properties under option at Oxford Lake, Copper Lake, and Cross Lake, in Manitoba.

Shareholders were informed deep drilling at Falconbridge showed an improvement in the grade of ore at a depth of 1,000 feet, and that it was hoped to have the 200-ton smelter in operation by the end of the year. The company invested a portion of its funds in stock of Rhodesian Copper companies and has already made a considerable profit.

Vipond Earning $20,000 Monthly

Vipond's mill is treating between 250 and 300 tons a day and earning around $20,000 net a month. Drives are being put out from the 400 and 1,000 foot levels to intersect the No. 9 vein. The new orebody found on the 600 ft. level has since been proven downward to the 900 and upward to the 500 ft. levels. and it is believed will be intercepted by the crosscut on the 400 ft. level.

Alexandria Gold Mine Adds New Equipment

The purchase of more powerful machinery to expedite development at the Alexandria Gold Mines property at Phillips Arm, B. C., was authorized at a recent meeting of directors.

The property is being developed by five tunnels. Principal development work has been in No. 1 tunnel where a lense of ore five feed wide, 30 feet long, and averaging $16 to the ton has recently been opened up. The new ore body parallels the main ore body which has a length of 308 feet and a width of eight feet, and averages from $8 to $10 per ton.

It is now proposed to sink to depth from No. 1 tunnel which is connected to No. 2 by a raise. The first objective will be 100 feet.

REPORT SHOWS GOOD OUTLOOK FOR MALARTIC

Directors State Year's Work is Satisfactory — Report Interesting

The first annual report of Malartic Gold Mines has been sent forward to shareholders. The report covers the operations from the time it was taken over by the company in September, 1927, to the end of December, 1928.

"The results of development work to date," states President D. M. Hogarth, "have considerably improved the mine-making possibilities of the property and justifies continuing the aggressive search for extensions to the known ore bodies and for possible new ones. The directors feel the results of the year's work are satisfactory, and highly commend Mine Manager Norrie and his staff for their efficient work."

C. D. Kaeding, consulting engineer expresses the hope that the progress of development will enable the defining of sufficient tonnage and grade of ore to warrant erection of a reduction plant. Preliminary metallurgical tests, he states, indicate the most satisfactory treatment will be by cyanidation, good extractions having been obtained with low cyanide consumption.

REORGANIZATION PLAN SUBMITTED TO SHAREHOLDERS

Conroyal Directors Suggest Forming Two New Companies

The reorganization of Conroyal Mines by the incorporation of two new companies to operate the Kirkland Lake and Algoma properties of the company is proposed by the board of directors in a letter sent forward to shareholders in which they are asked to state their views.

The closing down of the Kirkland Lake operation in September last, it is stated, was due to a small minority of shareholders refusing to agree to a further continuation of the pool. After acceding to their request the directors are now faced with a complete reorganization.

The company's holdings consist of 130 acres in Lebel Township, Kirkland Lake, and a 98 per cent. stock ownership of the adjoining Osweka Gold Mines, 160 acres. In the Algoma district, 240 acres in Aberdeen Township and 393 acres in Galbraith Township.

High Values Found At Granada Rouyn

Granada Rouyn is reported to have picked up high values in drifting operations on the 500 and 625 foot levels. The development is being inspected by President R. C. Gamble, who has announced plans are now in preparation for the construction of a six mile overhead tramway. This would permit the ore being brought to Noranda for treatment and dispense with the cost of mill construction.

It is estimated the tramway could be built at a cost of $30,000. The company is reported adequately financed to carry on a three year development program. As of November the company had $100,000 cash and 700,000 shares in the treasury.

Beardmore Gold Mines Is Making Progress

Beardmore Gold Mines has forwarded a report to shareholders setting out progress made during the past four months. A mining plant capable of developing the mine to a depth of at least 500 feet was installed last summer. No. 2 shaft was sunk to a depth of 100 feet and a station cut at this horizon. Ore was found all the way down the shaft, it is stated, the vein widening from 15 inches on surface to 15 feet at the 100-ft. level. Drifting both east and west is in progress, and it is anticipated January's footage will amount to about 150 feet. It is planned to do about 500 feet of lateral work on this level, to be followed by shaft-sinking to 200 feet and a similar program there. Shareholders are advised the grade of ore might be termed better than average commercial grade, and that there is porphyry marking in between the two veins.

Rush Construction of Nickel Smelter

Falconbridge Nickel will have its proposed 200-ton smelter into production by 1930 and possibly by the end of the present year, stated J. G. Hardy, managing director, after a recent inspection of the Sudbury property. Tenders are to be called for in the near future and it is hoped to have actual construction underway by May 1.

Shaft sinking at the Falconbridge has reached a depth of 350 feet, and station-cutting has commenced at this level. A crosscut will be driven through the ore body at this horizon to correspond with the crosscut at the 225-foot level, but after this is completed the shaft will be continued straight to the 1,000-ft. level.

Manitoba Basin Is Listed on Exchange

Manitoba Basin stock has been called on the Standard Stock and Mining Exchange. The company is incorporated under Dominion charter with a capitalization of 5,000,000 shares of no par value, of which approximately 3,000,000 shares have been issued. The company was the first to acquire holdings in the tin belt in Manitoba, and in addition to the original discovery at Shatford Lake, has acquired a block of 150 claims along the strike. Development has been placed in charge of a subsidiary, the Manitoba Tin Co.

Manitoba Basin's other holdings include 37 claims at Rottenstone Lake, adjoining the original copper-nickel discovery of the Hall brothers, now under option to Consolidated Smelters; the Jack Nutt group of 100 claims at Herb Lake, the Allen group, 21 claims adjoining Sherritt-Gordon on the east at Partridge Lake, the New Colony Group 30 claims at Jackfish Lake; and the Lindy Group of 15 claims adjoining the Hopkins-Jowsey-Errington discovery at Reindeer Lake.

In the first two hours of trading about 10,000 shares changed hands. Prices ranged from 45 to 47 cents a share.

NORANDA TO BUILD REFINERY

(Continued from page 20)

in the Maritime Provinces. The latter situation would be in proximity to the British Metals Corporation's zinc development, and would assure all year round navigation. In view of the several large power developments seeking a market for surplus power there will probably be some keen bidding as the refinery will be a large power consumer.

The Gatineau Power Co., Shawinigan Power Co., and the Duke-Price Power Co., all of Quebec, as well as the International Paper Co.'s new development at Grand Falls, New Brunswick, would appear logical contenders for this new customer.

May Mean Stock Rights

The formation of a new subsidiary will probably mean new stock rights for Noranda shareholders. Noranda's present capitalization consists of 2,250,000 shares, of which 2,168,566 shares have been issued plus the recent issue of 72,285 additional shares which have been offered to shareholders on the basis of one new for 30 old at $45 a share.

The proceeds derived from the new issue it was announced would be used to retire the 7 per cent. bonds of the company's wholly owned subsidiary, Horne Copper Corporation, amounting to $2,450,000, and to provide $1,500,000 for the doubling of the plant's capacity and the enlarging of underground workings.

In view of the company's statement it would appear that the financing of the refinery undertaking, will be shared by the three companies and the necessary funds secured by a stock issue, and possibly a bond issue as well. It is learned however, that the matter of financing has been already arranged.

Canadian Copper Refiners Limited, will be the official title of the new Noranda subsidiary which in conjunction with British Metal Corporation and Nicholas Copper Co., is to erect a copper refinery in Canada. It is officially stated a Dominion charter has been granted the company which is capitalized at 20,000 shares of no par value. Head office will be in Toronto. Application for a provincial charter has also been made to the Quebec government, and it is stated semi-officially the probable site of the new plant will be a short distance west of the city of Quebec. The refining plant may be in operation by the end of 1930. Its location will assure it of ocean shipping facilities, and ample power will be available from the Quebec Power Co.

There is only one copper refinery in Canada at the present time, that of Consolidated Smelters, at Trail, B.C.

OLD FRIENDS STILL BOOST PEND OREILLE

(Continued from page 20)

it has been estimated there are from eight to ten million tons of ore blocked out.

The ore is low grade carrying lead, zinc and silver values, but offers few milling difficulties. The galena is easily separated from the zinc blende, and the latter possesses a high degree of purity.

Costs Are Low

The possibility of mining large quantities of ore by open cuts, quarries and adits promises low costs. It has been estimated Pend Oreille has sufficient ordinary run-of-mine ore to meet the demands of a mill with a daily capacity of 2,000 tons for a period of at least five years, and that this may be added to as development progresses. It is estimated the ore could be mined and milled at a profit of from $2 to $3 a ton.

Earnings, it is therefore estimated, will take care of mill and smelter costs and provide a satisfactory dividend to shareholders as well.

May Develop Power

Pend Oreille possesses another possible asset of unquestionable value, namely, its power rights on the Pend Oreille River. This has not been taken into consideration because the Cooper interests have challenged the company's title to these rights, and the matter has not yet been adjudicated on. Should Pend Oreille establish its claim, the company would be assured of further additional cheap power to that it already enjoys, and as well as considerable revenue from the sale of surplus power.

TWO OF CANADA'S MINES PRODUCE LARGE TONNAGE

(Continued from page 20)

cline in costs. These figures for 10 years past are as follows:

	Copper Output, lbs.	Cost Per lb.
1919	27,000,000	23.0
1920	25,750,000	15.9
1921	29,300,000	11.6
1922	31,960,000	11.2
1923	32,560,000	11.2
1924	35,990,000	10.6
1925	41,090,000	10.6
1926	56,250,000	10.1
1927	55,390,000	10.1
1928	58,000,000	*9.0
1929 (est.)	65,000,000	8.75

*Final quarter costs got below 8c., it is understood.

Granby is constantly seeking new properties. The 1928 report should show a substantial increase in ore reserves. The two properties at present producing had about 14,000,000 tons of high grade ore in sight at the end of 1927 and as the average recovery exceeded 1.25 per cent. of copper this placed at least 350,000,000 pounds of copper or six years supply in sight. But diamond drilling on the Allenby property in 1928 disclosed large bodies of ore running over 2 per cent. There are also large low grade bodies in sight, which are now being profitably exploited. The company is developing a third property, called the Bonanza on which no very worth-while figures have been issued. Shipments from the Bonanza are expected to commence this summer.

Current price of stock is about $90.

Howe Sound in Two Countries

Howe Sound is selling at around $70 and is paying 4 dividend. The yield is thus approximately 6 per cent. per annum.

Examination of Howe Sound's position is complicated by the division of its operations between Mexico and Canada. Its production of gold, silver, zinc and lead are also relatively higher than in the case of Granby. Nevertheless about half the production (in value) is copper.

Howe Sound has increased its ore reserves by aggressive development work and has also examined many new properties and has some under option.

The fourth quarter of 1928 brought the company the second largest return in its history. Earnings were $5.34 per share for the year and it is anticipated that 1929 will do considerably better.

Canadians are chiefly interested in Howe Sound because it is the entire capital stock of Britannia Mining and Smelting Company on Howe Sound, B.C. Capacity of this property has recently been increased to 5,000 tons a day.

Through comprehensive, constructive programs comprising modernization of its plants and improvements in milling operations and metallurgical practice, with a view to reducing cost and increased efficiency as well as augmented production facilities which have been conducted by the company in past years, Howe Sound in 1928 was in the best position it ever has been in to take advantage of higher metal prices when such improvement began to be noted, especially during the last half of the year. Ever since the modernization plan was completed late in 1925 the company has shown improved earnings. Profits in 1927 were lower than in 1926 because of low metal prices prevailing in that year.

Highly favorable results of final quarter's operations of 1928 reflect the increased prices and demand of not only copper but zinc and lead, since the company aside from being a copper producer is a larger producer of the other two metals. Upward price revisions in these three metals in the past quarter should be reflected together with better demand, in further increased earnings for Howe Sound in the first three months of this year over those of the Dec. 31, 1928, quarter.

Big Development Program

Of paramount importance in Howe Sound's situation is the comprehensive development campaign which has been and is being aggressively pursued in both the British Columbia and Mexican properties of the company, the results of which are regarded as most gratifying. During 1927 the management established an exploration department such as is employed by other companies controlling mining and oil properties, and this has been demonstrated to have been highly beneficial.

The company has no bonded debt or preferred stock, its sole outstanding capitalization consisting of the 496,038 capital shares of no par value. This element coupled with the fact that company's directorate in past years has displayed a liberal policy toward dividends when earnings so warranted has led to expectations in some quarters that the directors may in near future follow the policy of other copper producers and increase the dividend rate. Present $4 per share annual basis has been in effect since September, 1926, when the rate was increased from $3 per annum. The next directors' meeting at which dividend action is ordinarily considered will be in March.

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Bobjo	.33	.37
Brett-Trethewey	.29	.33
Canadian Kirkland	.04	.06
Gilbec	.37	.42
Harker Gold	.25	.28
Manitoba Basin	.38	.43
McMillan Gold	.80	.95
Old Colony	.45	.50
Wood Kirkland	..	.13

Other stocks quoted on application.
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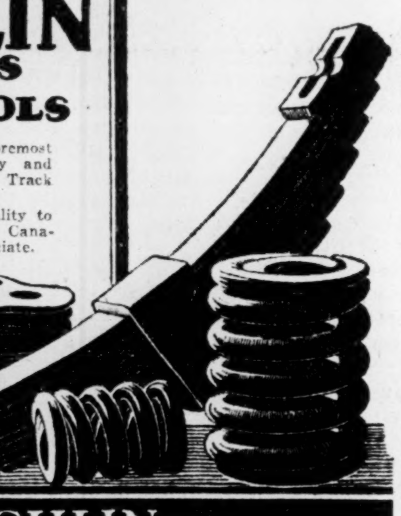

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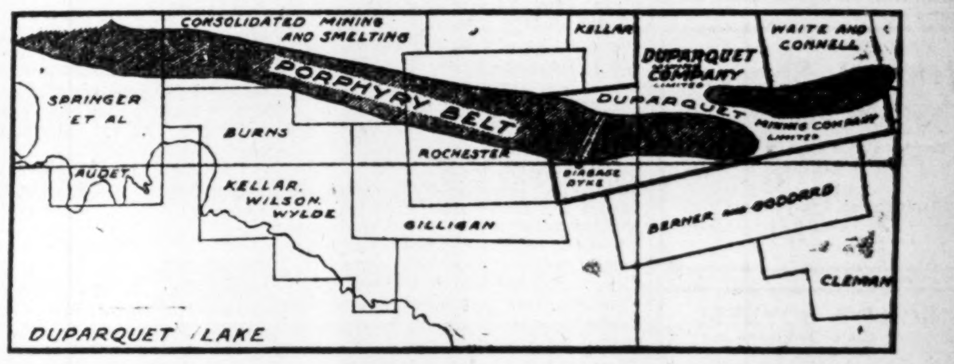
The assays obtained along the whole of this porphyry belt were considered, over a year and a half ago, sufficiently valuable to warrant intensive surface development. Expectations were more than realised, and diamond drilling was carried on by Consolidated Smelters while, in the case of the Duparquet Mining Company, Limited, a permanent 500 foot shaft was commenced. The map clearly indicates the extent of the Belt.



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DEVELOPMENT: A prospect shaft (No. 1) sunk to a depth of 51 feet revealed consistently above the average assays. A permanent shaft (No. 2) is now being carried to a depth of 500 feet, with station at 100 feet and lateral work at the 250 foot level. Assays continue to run highly satisfactory. Sufficient machinery for present development work and to speed up the opening of indicated ore is now on the property.

ADVISORY COUNCIL: An Advisory Board of seven men of outstanding mining experience is to assist the Directorate in decisions pertaining to plans submitted by the field staff. This procedure will, undoubtedly, prove of great value to the Company.

LISTING: At the last meeting of the Board of Directors it was decided to proceed immediately with the listing of the Company's shares on the various Exchanges. The Secretary-Treasurer has this matter actively in hand.

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ERNEST DUSSAULT, Vice-President
JAMES McWILLIAM, Secretary-Treasurer
DR. J. P. LAPORTE
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Mining Inquiries

Ajax Oil

Can you give me any information on Ajax Oil? I have been informed that they have opened two more wells.

Ajax looks like a fair gamble. The company's new well looks like a winner and a move is underway to get new funds for further exploration.

Vipond

Can you tell me if Vipond is a good purchase at present?

Vipond looks good at present development, but is by no means at the stage when a real future is assured. There are mining stocks that seem to offer better and surer speculative profits.

Siscoe

What are the future possibilities of Siscoe?

Siscoe is a good looking speculation. It is the pioneer in the field and its possibilities are hard to gauge. There is said to be two years' ore ahead of the mill and good results are reported from recent deep drilling.

Abba Mines

I hold a number of shares in Abba Mines. Where is the property located? Kindly give me your opinion of the stock.

Not much information is available on Abba Mines. The property is located in the Kirkland Lake area. The company has other groups of property as well but we learn that operations have never made much progress.

Dixon Mining

Would you advise investing in the Dixon Mining Company? Do you think Sherritt-Gordon a good investment at the present price?

Dixon Mining is a gamble in the Manitoba field. There was considerable discussion regarding this proposition recently because of the prices at which the stock was being sold.

Sherritt-Gordon is regarded as being an excellent proposition for a hold.

Gilbec

Will you please give us some information on Gilbec. Do you consider this a good hold, or would you advise disposing of the stock?

Gilbec looks like a good gamble. Some very good ore showings have been uncovered on this property and there are people who believe there are possibilities of getting or bodies similar to those on Noranda. If such should happen, it is easy to guess what will happen to the shares.

King Kirkland

I hold a few thousand shares of King Kirkland Mines and would like to have your opinion of this property. I understand there has been no development work done for some time but work done on adjoining property gave indications of King Kirkland property being one worth developing.

King Kirkland has been idle for several years. Those in control are evidently playing a waiting game to see what the adjoining properties will develop.

Tough Oakes

Is Tough-Oakes entirely a speculative stock? Has the mine shut down as is rumored?

The Tough Oakes property has been closed down for winter and meanwhile the manager has gone to London to confer with principals to decide on future action. The company's finances are exhausted and the loan which was advanced by London has been about half expended. We regard "Tough Oakes" as a gamble.

Arno Mines

What do you consider the possibilities for Arno Mines in a long hold?

Arno mines shapes up as a pretty fair gamble. Reports made by reputable engineers a number of years ago and still available indicate that there is a substantial tonnage of copper ore in the workings and recent statements indicate that this ore is of good width and value. There is the question of treating and marketing to be considered.

Malartic

Kindly give me your opinion on the Malartic Mine.

The position of Malartic is quite uncertain. Diamond drilling has revealed a rather questionable geological condition which some engineers claim cut off the ore body and practically meant the end of the property. Others claimed that this was a favorable condition and the company proceeded to test it out by further diamond drilling and results to date have been in no way conclusive.

Granite Poorman

Will you please give me any information you may have on Granite Poorman Gold Mines, Ltd., at Nelson, B. C.?

Granite Poorman Gold Mines, controlled by a Calgary group headed by W. S. Herron, made a very substantial fortune in the Turner Valley Oil Field. We understand that the company has been financing by the issue of preferred stock with bonuses of common, and that their property seems to possess merit. Exploration is now proceeding.

Moss Mines

Would you please advise me about Moss Mines; also the number of shares issued and the directors, if possible, as I am somewhat interested in this mine.

On last report there were 2,623,083 shares issued out of an authorized capital of 4,000,000 dollar par shares of Moss Mines. Directors N. R. Fisher, C. B. Brown, C. S. Gzowski, R. H. M. Temple, J. D. Patterson, A. Fraser, K.C., W. C. Chisholm. Address: 75 Sparks Street, Ottawa.

Metals Development

Can you give me any information on Metals Development, Ltd.? There are many shareholders of this company in Haiti.

We have not heard a great deal of late about this company's operation, but we did see an engineer some time ago who examined the Clearwater Lake property. He said the surface showings were good but that they had not opened up anything very much at depth. The organization itself is well regarded.

Wainwell Oils

Can you give me any information on the wells one, two and three of this company?

When the Wainwell No. 1 well blew in it was very good. Later water interfered with its progress but the full possibilities of this well will not be proven until they get the water shut off.

We have not details as to what position No. 2 is in at the present time but No. 3 recently blew itself in and had to be held in submission while the casing is being cemented.

Newmont Mining

We would appreciate your opinion on the advisability of holding shares in the Newmont Mining Company common. Can you give us the latest bid and asked prices for this stock?

Newmont Mining Company is a New York venture holding large blocks of stock in various mining enterprises. Their big interest in Canada has been in Noranda, Nickel and 35 per cent. in Hudson Bay.

Shares are being traded in on N. Y. curb around 191-195. Company in control of some of the best mining brains on the continent.

Quatsino

Have you any information on this stock? I believe it is a copper proposition.

Quatsino Gold Mines Limited shares look like a pretty fair gamble. The company has 980 acres on Vancouver Island, situated in the midst of the holdings of Coast Copper, a subsidiary of Consolidated Mining. In view of the development on this latter property and the great interest that has been taken in copper ventures it might work out that this proposition would have a pretty good future.

Sudbury Northern

I have been advised that Group No. 2 of Sudbury Northern Mines Limited is a speculation with good possibilities. What is your opinion?

The writer has spent quite a lot of time in the Sudbury field and has given considerable attention to the operations in that section, but has never heard of Sudbury Northern Mines, Limited. For that reason we are unable to give you any information on the proposition. However, we would suggest that it must be a very insecure venture, or we believe we would have heard about it.

Teck Hughes

Could you please send me a short report as to the recent development at Teck-Hughes Mines. I should also like a report on the Canadian Champion Reef Mining Company, Ltd.

Teck Hughes is regarded as offering speculative possibilities. This opinion seems shared by some of the best mining engineers and brokers as well. Earnings are rising steadily and it is estimated that the ore now indicated ensures many years of profitable operation.

Canadian Champion Reef took over a property in the Shining Tree area and have not got anywhere yet.

Pioneer

I shall be much obliged to receive your opinion on the following mining stocks: Pioneer, Malartic, Capitol Rouyn.

The mining shares you are holding are all gambles. Pioneer has been making an effort to find a mine and has recently taken in a small mill to test out the ore. It may work out, but it is a very slow process. Malartic recently fell on evil days, when some obstructive rock came in and cut off the value. Capitol Rouyn is nothing but a prospect. The company recently made a discovery, but what it will lead to, nobody knows.

McIntyre

In your issue of Jan. 11 I note you pick thirteen mine stocks to stand out in 1929. I wonder for what reason you did not include McIntyre in this group. Is there anything unfavorable that would lead you to omit McIntyre from your list? As a holder of this stock I would be interested in learning your reasons.

In our issue of January 18th we answered the point of why McIntyre was not included in our list of 13 mine stocks. McIntyre may come along in 1929, but there is a doubt, and we tried to eliminate in so far as possible, issues that had a doubt.

Fiske Gold

Are you in position to inform me as to the Fiske Gold Mine activities? Are you aware if they have started working on prospects, etc., or if the matter has been entirely dropped?

Fiske Gold Mining operations are at a standstill, we were recently informed at Ottawa. As to what the company proposes to do, we do not know. What we believe the company is doing, is sitting and holding the best of its properties, in the hope that some of the adjoining operations may strike something of merit which would give a reflected value to some of the holders.

Nickel

What ought I to do with my Nickel? I have 66 shares which were 11 old Nickel at 89¾ and 75 shares of new Nickel at 34½. Should I sell now and take profits or would you advise holding?

Nickel has reached the price level now where it is regarded as being in the speculative class. Probably you will admit that nobody a year ago would have dreamed that the stock would have sold up to the present level and picking the top now is just as hard to do as it was a year ago. The general impression seems to be that the market having absorbed selling in such a satisfactory way that the shares will likely sell at higher prices.

Manitoba Basin

I would appreciate your comments on Manitoba Basin. I propose to buy mining shares at low prices, making a quick turnover to realize small profits. What would you think of the plan?

In an issue of January 18th, you will find some information showing that Central Manitoba Mill results are improving. The outlook for the venture is better but a great deal of success has been met with by other operations in the field and the best opinion is that the shares are quite a speculation.

As to making quick turns in the market, it is suggested that you will perhaps achieve this better, and at less risk in the better class mine shares.

Teck Hughes

Should I dispose of my holdings in Teck-Hughes and Lake Shore to put the money into International Nickel? What is your opinion of all three stocks?

Whether you should sell Lake Shore or Teck Hughes or both of them to put into Nickel is something for you, yourself, to decide. Both have wonderful possibilities and long lives ahead of them, though not nearly as long, we suggest, as that of Nickel. All three are very excellent propositions, and we don't think you could make any mistake in holding them or buying more of them.

Falconbridge

Kindly give me your opinion on the following stocks:
Falconbridge.
Mining Corporation.
Sudbury Basin.
Howey.
Big Missouri.
Central Manitoba.

Four of the issues in your list, Falconbridge, Mining Corporation, Sudbury Basin and Howey, are regarded as being excellent propositions for a hold. The latter two, Big Missouri and Central Manitoba, are quite speculative, and if you wish to reduce the risk in your initial venture into mining shares, you might drop the latter two.

Cold Lake Mines

What is your opinion on Cold Lake Mines? Does the company really mean business?

We believe Cold Lake Mines is seriously looking for a mine. The company seem aggressive and on the job. They did some drilling on the group adjoining Sherritt and apparently did not get what had been expected. The Oak claim of Sherritt which adjoins Cold Lake has revealed some excellent ore in surface work and drilling and it begins to look as if Cold Lake has decided to await further work on part of Sherritt. Meanwhile, the company got control of a good looking property at Herb Lake that looms important and also have a substantial interest in a number of claims in Oxford Lake area.

Mining Stock Quotations

Week Ending February 5.

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close	Sales for wk.	Range 1928 High	Range 1928 Low	Range 1929 High	Range 1929 Low
Abana	$1	....	....	2.95	2.70	2.80	167585	4.80	1.75	3.90	2.70
Aconda	1	....	....	.16	.13¼	.15	30900	.47	.10	.18	.13
Aladdin	1	....	....	....	....	....	....	1.85	1.20	1.84	1.78
Albain M.	1	....	....	....	....	....	....	1.05	.20	....	....
Algonquin	1	....	....	.01½	.01	.01¼	25500	.03	.01	.01½	.01
Amity C.	1	....	....	.37	.27½	.35	103850	.55½	.24	.37	.27½
Amulet	1	....	....	3.00	2.00	2.85	151844	5.45	2.50	3.75	2.00
Apex	1	....	....	.04	.02½	.02½	6000	.09	.01	.05	.02
Area	1	....	....	.16	.14	.15	11000	.48	.11	.20	.14
Argo. Con.	1	....	....	.02½	.02	.02½	46650	.34	.01¼	.02½	.01
Arno	1	....	....	1.75	.53	1.61	1947825	.39½	.15	1.75	.19¾
Atlas	1	....	....	.01½	.01¼	.01¼	2000	.84½	.01	.02	.01
Ankerite	1	....	....	....	....	....	....	1.25	.19	.15	.15
Bayview	25c.	....	....	.05	.04½	.05	24100	.09½	.04½	.06¼	.04½
Baldwin	1	....	....	.03½	.03	.03¼	70500	.03½	.01	.03½	.01½
Barry Holl.	1	....	....	.31	.26½	.28	69550	1.50	.25	.44	.26½
Bathurst	None	....	....	.35	.24	.35	81550	.44½	.16	.38¾	.24
Bedford	1	....	....	.67	.55½	.64	128600	.54	.32	.67	.46
Bidgood	1	....	....	.50	.35	.47	130525	1.60	.25	.60	.35
Big Horn		....	....	....	....	....	....	.44	.15	....	....
Big Missouri	1	....	....	2.41	1.52	2.30	125081	.90	.40	2.41	.75
Boischatel	None	....	....	.01½	.01	.01¼	11500	.05	.01	.02	.01
Buckingham	1	....	....	.11	.08	.11	246760	.10	.04½	.11	.07
Bunker Hill	None	....	....	.09	.08	.09	10000	.35	.07¾	.11¼	.07½
B.C. Pioneer		....	....	....	....	....	....	2.00	1.75	....	....
Cambro	1	....	....	.30	.30	.30	1000	.59	.10	.35	.19½
Can. Lorraine	1	....	....	.04	.02½	.02½	4000	.18½	.05	.10	.02½
Capitol S.	1	....	....	.06	.06	.06	500	.18½	.05	.10	.05½
Capitol R.	1	....	....	.08	.07	.08	93766	.26½	.07	.10¼	.06½
Castle Tre.	1	....	....	.40	.36	.38	9525	.81½	.34	.40	.34
Cen. Man.	1	....	....	.70	.60	.66	45380	1.95	.58	.80	.60
Chaput H.	1	....	....	.09¼	.09	.09½	15000	.18	.05½	.10	.07½
Clericy	None	....	....	.48	.18½	.34	412360	.36	.07	.48	.18
Clifton	1	....	....	.01½	.01½	.01½	3000	.02	.00⅛	.01½	.00¼
Coast Copper	5	....	....	67.00	58.00	66.00	9485	66.00	8.00	67.00	53.00
Col. Kirk	1	....	....	.02	.01¼	.01⅝	11000	.09½	.01	.02	.01¼
Coniagas	5	....	....	2.25	2.05	2.15	800	5.50	1.70	2.60	2.00
Coniaurum	5	....	....	2.05	2.00	2.00	200	5.50	1.00	2.50	1.25
Cons. Smelter	25	10+40	2.38	575	449	525	8275	400	239	575	374
Copper Hill	1	....	....	....	....	....	....	.46	.44	....	....
Cork Prov.	25c.	....	....	.24	.22	.22	56000	.47	.19	.32½	.21
Corona	1	....	....	.02¼	.02⅛	.02¼	29500	.16	.02	.04	.02
Crown Res.	1	....	....	.11	.09	.09	31700	.70	.22	.19	.09
Davidson	1	....	....	....	....	....	....	.03	.00½	....	....
Dunkin	1	....	....	.32	.19	.30	118800	.55	.12½	.32	.18
Destor	1	....	....	....	....	....	....	.28	.20	.10	.10
Dome Mines	None	$1	10.25	10.00	9.50	9.75	3685	13.35	7.65	10.50	9.45
Dom. Kirk.	1	....	....	.01	.01	.01	2500	.06½	.01½	.01	.00¼
Don. Rouyn	1	....	....	.11	.09	.11	12640	.30	.10	.12	.09
Dubec	1	....	....	....	....	....	....	.72	.40	....	....
Duprat	1	....	....	.03	.02½	.02¼	10400	.12½	.02½	.03½	.02
Dupuy	1	....	....	....	....	....	....	.10¼	.10	....	....
Dunwell	1	....	....	....	....	....	....	.35	.20	....	....
Duthie	1	....	....	.60	.60	.60	400	1.40	1.00	.60	.60
Everett	1	....	....	.01½	.01	.01	2000	.33	.01	.02½	.01
Federal Kirk	1	....	....	....	....	....	....	.77	.01	.05	.02
Falconbridge	1	....	....	8.50	7.50	8.25	55705	5.30	4.50	8.50	5.15
George Cop.	1	....	....	11.60	9.00	11.60	6070	8.65	2.50	11.60	7.95
Golconda	1	....	....	1.09	.95	1.07	74850	1.13	.66	1.09	.81
Goldale	1	....	....	.15	.13	.13½	16900	.44	.11	.19	.13
Gold Hill	1	....	....	.07¼	.05	.06	121350	.38¼	.05	.09½	.05
Gold Reef	1	....	....	.01	.01	.01	1000	.03	.01	.01⅛	.00¼
Goodfish	1	....	....	.20½	.18	.20	39700	.78	.15½	.25	.17
Graham	1	....	....	.50	.33	.48	550175	.45	.18	.50	.28
Grandview	50c.	....	....	.78	.64	.66	360450	.87	.30	1.00	.54½
Granada	1	....	....	.34	.20	.30	299750	.35½	.16½	.34	.20
Grover Daley	1	....	....	.02	.02	.02	19100	.15	.02½	.05	.02
Hillcrest, c.	100	6	8.57	....	....	....	....	75.00	65.00	70.00	70.00
Hillcrest, p.	100	7	7.77	90.00	90.00	90.00	50	91.00	85.00	90.00	88.25
Hilltop	1	....	....	.06	.05	.05	18000	.23¼	.03	.07	.03
Hollinger	5	65c.	....	9.00	8.45	8.85	12928	18.10	7.00	10.00	8.45
Howey Gold	1	....	....	1.15	1.05	1.12	47255	1.91	.61	1.25	1.05
Hudson	None	....	....	22.50	20.75	22.50	52981	23.25	16.40	22.50	20.00
Indian	1	....	....	.08	.07	.08	11	.15	.04½	.10	.05
Int. Nickel, new	None	....	....	69.87	63.75	65.75	442232	45.00	31.25	73.00	46.00
Jackson M.	1	....	....	.15	.12	.14	63255	1.02	.37	.40	.05
Keeley	1	....	....	.53	.47	.48	9000	.85	.37½	.62	.34
Keora M.	1	....	....	....	....	....	....	.05	.01½	.01¼	.01
Kirk. Hunt.	1	....	....	.05	.04	.04	8650	.26	.03	.06	.03
Kirk. Lake	1	....	....	1.72	1.64	1.65	35715	2.75	1.05	1.92	1.58
Kirk. Prem.	1	....	....	.12	.12	.12	3000	.40	.10	.15	.10
Koot. Flor.	20c.	....	....	.25	.22	.24	99150	.47	.15	.30	.19½
Koot. King	1	....	....	.40	.35	.39	31225	.67	.24	.51	.32½
L. Kamiskotia		....	....	....	....	....	....	1.28	.87	....	....
La Rose	1	....	....	....	....	....	....	.08⅞	.03	....	....
Lake Shore	1	80+20c.	5.00	20.75	19.50	20.50	8855	27.20	14.75	21.50	18.75
Lebel Ore	1	....	....	.11	.10	.10	4000	.59	.09½	.14	.10
Laval	1	....	....	.09½	.07	.08	46200	.38	.06	.10½	.07
Lorrain C.	1	....	....	.01	.00½	.01	12000	.03	.00½	.01	.00¼
Lorrain T.L.	1	....	....	....	....	....	....	.70	.30	.01	.01
Lucky Jim	10c.	....	....	.25	.19	.20	67750	.44	.21½	.28	.19
McLeod R.	1	....	....	....	....	....	....	.35½	.34½	....	....
Malrobie		....	....	....	....	....	....	.37½	.29	.15	.15
Mandy	1	....	....	1.46	1.20	1.45	58350	3.50	1.15	1.46	1.20
Macassa	1	....	....	.23½	.22	.22	10500	.55½	.16	.30	.22
Malartic	1	....	....	1.10	.90	1.00	181410	1.85	.70	1.14	.88
Marriott	1	....	....	....	....	....	....	.46	.04	....	....
McDougall	1	....	....	.68	.56	.65	158350	.74¼	.31	.68	.46
McKinley	1	....	....	.24	.22½	.24	1500	.21	.15	.24	.20
McIntyre	5	20	4.76	21.50	20.50	21.00	4480	29.00	18.80	24.00	20.50
Mentor	10	....	....	....	....	....	....	13.00	12.50	....	....
Millcrest	1	....	....	.02½	.02	.02	13500	.12	.01½	.03	.01½
Mining Corp.	5	37½c.	....	5.50	5.00	5.40	95191	5.30	2.92	5.50	4.00
Moneta	1	....	....	....	....	....	....	.12	.07	....	....
Montreal R.	1	....	....	.03½	.03½	.03½	1000	.16	.04¼	.03½	.02½
Mint Ore	1	....	....	.10	.10	.10	1500	.44	.10	.19	.10
Mond Nickel	10s.	18½	....	66.00	64.00	64.00	245	46.50	20.00	70.00	45.00
Moss	1	....	....	.60	.60	.60	3000	.95	.25	.72½	.60
Murphy	1	....	....	.65	.55	.56	58625	.83	.28	.68	.55
Moffatt Hall	1	....	....	.14½	.12½	.14½	45909	.35½	.08½	.20	.10
Morton Woolsey	25	....	....	.07	.04¼	.04½	90300	.09	.04⅛	.07	.04¼
Nat. Silver	50c	....	....	.21	.20½	.21	2800	.20½	.12	.21	.20½
Newbec	1	....	....	.47	.30	.42	887466	.69	.24½	.47	.30
Night Hawk	1	....	....	.05	.05	.05	8500	.10	.05	.05½	.05
Nipissing	5	6	9.09	3.30	3.00	3.30	9065	6.20	2.50	3.90	3.00
Noble Five	50c.	....	....	.74	.70	.71	100700	.53	.33	.82	.56
Noranda	None	....	....	68.25	62.00	64.50	160120	76.50	17.00	70.00	59.65
Do Rights		....	....	.75	.65	.70	4654	....	....	.75	.60
Nor. Canada	1	....	....	1.00	.90	.95	3500	.70	.60	1.05	.90
Ophir	1	....	....	....	....	....	....	.03	.00½	....	....
Osisko		....	....	.50	.50	.50	6050	.75	.35	.60	.45
Oregon		....	....	1.20	1.09	1.15	19970	....	....	1.38	1.09
Picard	1	....	....	.02½	.02	.02½	225200	.77	.00½	.02½	.01
Pawnee Kirk	1	....	....	.05½	.04½	.05	31200	.80	.05	.07	.04½
Pend Ore	1	....	....	13.10	10.20	12.40	54125	25.50	8.00	17.00	10.00
P.L. Cobalt	1	....	....	.25	.22	.25	10700	.30	.06	.26½	.19
Porc. Crown	1	....	....	.02¼	.02	.02¼	2000	.08	.01	.03½	.02
Pioneer	1	....	....	.35½	.34	.35½	33475	.68	.31	.41	.33
Pioneer Gold	1	....	....	....	....	....	....	2.00	1.70	1.50	1.50
Potter Doal	None	....	....	.02¼	.02	.02	26200	.22	.10¼	.02½	.01½
Premier Gold	1	24c.	11.16	2.19	2.10	2.15	16050	3.50	2.14	2.35	2.10
Preston	1	....	....	.03	.03	.03	3000	.05	.01½	.03	.03
Porter Idaho	50c.	....	....	.71	.68	.70	3250	.88	.48	.82	.68
Reeves McD.	None	....	....	3.80	3.10	3.30	70290	1.25	1.25	4.50	1.25
Ribago	1	....	....	.04	.03	.03	14800	.25	.02½	.05	.02½
Rubec	1	....	....	....	....	....	....	.54½	.04	.06½	.06
Realty & M	None	....	....	....	....	....	....	.51	.08	....	....
R. Montbray		....	....	.05	.05	.05	2500	.32	.05	.06	.02
Ruth Hope	1	....	....	.57	.55	.56½	25730	.71	.44	.73	.55
Rouyn Kenn.	1	....	....	....	....	....	....	2.00	1.00	....	....
Rufus Argenta		....	....	.44	.35	.40	79000	.37	.14	.57	.29
Silverado	1	....	....	1.35	1.10	1.20	12400	.80	.75	1.38	.95½
Silversmith	20c.	....	....	.15	.13	.15	1700	.23	.08	.15	.13
Slocan King	20c.	....	....	.09	.08	.09	9500	.11	.05	.09	.08
Slocan Rambler	25c.	....	....	.24	.21	.21	9400	.20½	.16	.33	.10
Selkirk		....	....	....	....	....	....	.03½	.02⅞	....	....
San Antonio	None	....	....	.17	.12½	.16	32400	.57½	.18	.26½	.12½
Siscoe	1	....	....	1.50	1.25	1.35	223235	.90½	.15	1.65	.89
Snow Flake	50c.	....	....	.37	.35	.35	11500	1.35	.25	.42	.30
Stadacona	None	....	....	.10	.09	.09½	40200	.21½	.07	.12½	.08
St. Anthony	1	....	....	.74	.64	.74	74450	.75	.32	.74	.45
Sudbury M	1	....	....	.04	.01½	.04	7700	.33½	.10½	.04	.01½
Sylvanite	1	....	....	2.10	2.03	2.05	6000	3.90	1.95	2.55	2.03
Sherritt G.	1	....	....	9.25	7.15	9.10	663640	8.40	5.45	9.25	6.50
Sud. Basin	None	....	....	9.60	8.50	9.00	117055	12.00	5.15	9.75	8.25
Sud. Contact	1	....	....	.07½	.06	.07	41400	.50	.05¼	.08	.04
Sunloch	1	....	....	4.25	3.50	4.00	990	6.50	1.95	4.50	3.25
Tashota		....	....	.22	.20	.22	4500	.37	.12	.23	.15
Thom. Cad'c	1	....	....	.35	.30	.32	22050	1.06	.22	.50	.26
Topley		....	....	.58	.45	.46	258000	.65	.43	.62	.45
Teck Hughes	1	60c.	6.74	9.15	8.75	8.90	43385	11.60	7.50	9.90	8.75
Telluride	1	....	....	....	....	....	....	.58	.20	....	....
Torio	5	....	....	2.50	2.05	2.40	2700	3.50	2.00	2.50	1.75
Tough Oakes	1	....	....	.06	.05	.05	34560	.79	.07	.10½	.05
Towagmac	1	....	....	2.95	2.65	2.70	10570	4.75	2.25	3.85	2.65
Timiskaming	1	....	....	....	....	....	....	.10½	.05	....	....
Treadwell Y.	1	....	....	12.00	11.00	12.00	1165	32.00	9.50	13.00	10.00
Vickers	1	....	....	.75	.75	.75	500	1.25	.60	.80	.50
Vipond	1	....	....	1.24	1.04	1.22	143585	.99	.42	1.25	.83
Waite Ackerman		....	....	....	....	....	....	2.75	2.50	2.75	2.35
West D. Lake	1	....	....	.08½	.08	.08½	41700	.17½	.07½	.10	.08
Wiltsey C.	1	....	....	....	....	....	....	.56	.34	....	....
Wright Har.	None	....	....	2.25	2.00	2.10	154338	6.80	1.40	2.95	1.45
Windfall R.	None	....	....	.09½	.06	.09	99600	.25	.02½	.09½	.05
Whitewater	1	....	....	1.25	1.10	1.15	37720	2.85	1.05	1.48	1.10
Woodbine	None	....	....	.04	.02½	.04	133550	.46	.03½	.07	.02½

CALGARY OIL STOCKS

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close	Sales for wk.	Range 1928 High	Range 1928 Low	Range 1929 High	Range 1929 Low
Acme											
Advance	1	....	....	.34	.33	.34	200	.30	.17	.36	.33
Alta. Pac.	1	....	....	.75	.60	.75	1730	.95	.25	.85	.54½
Black Dia.		....	....	.70	.65	.67	19498	.81	.30	.76	.58
Brit. Dom.	1	....	....	.17	.17	.17	60	.35	.12	.21	.14
Calmont Es.		....	....	.64	.60	.61	2295	.75	.25	.65	.55½
Calmont Treas.	1	....	....	....	....	....	....	1.00	.50	....	....
Cal. Pet. P.		....	....	.70	.64	.65	3060	2.10	.45	1.10	.64
Cherokee		....	....	....	....	....	....	5.50	3.05	....	....
Dalhousie	None	....	....	....	....	....	....	.07	.06	....	....
Dallas		....	....	2.00	1.72½	1.72½	7371	4.25	1.50	2.12½	1.60
Devenish	None	....	....	.20	.20	.20	10	.30	.10	.25	.20
East Crest		....	....	.48	.42	.47	3879	.75	.25	.50	.37
Great West	1	....	....	....	....	....	....	....	....	2.00	1.25
Freehold		....	....	....	....	....	....	.34	.10	.10	.10
Ill. Alta.	1	....	....	1.30	1.25	1.25	9085	....	....	1.30	1.15
Madison		....	....	.75	.69	.74½	27477	.77½	.45	.75	.60
Mayland		....	....	.06	.05	.06	2900	.20	.07	.08½	.05
McD. S. Ex.	1	....	....	2.40	2.40	2.40	300	2.56	1.06	3.20	2.40
McD. S.(new)	1	....	....	2.12½	2.10	2.10	1728	3.00	1.40	2.30	2.00
McLeod	1	....	....	1.30	1.22½	1.27½	2775	1.59	1.00	1.40	1.22½
Mid West	1	....	....	3.80	2.50	3.30	12233	7.90	2.97	5.15	2.50
Mill City	1	....	....	.30	.30	.30	2450	.40	.15	.35	.22
Moose M'tn	1	....	....	.30	.50	.50	600	.55	.27	.60	.45
Okalta, c.	None	....	....	.15	.15	.15	20	.30	.25	.15	.15
Okalta, p.	100	....	....	150.00	120.00	137.50	36	400.00	20.00	260.00	120.00
Ranchmen's	1	....	....	200.00	175.00	195.00	70	450.00	66.00	320.00	162.50
Regent		....	....	....	....	....	....	.80	.30	.45	.42
Royalite	None	....	....	.30	.25	.30	5265	.90	.30	.56	.25
Signal Hill	1	....	....	64.00	63.00	63.00	205	84.00	45.00	67.00	61.50
Spooner	1	....	....	.11	.09½	.10½	6240	.30	.06	.15	.09½
Stockmen	1	....	....	1.40	1.25	1.30	5620	3.10	1.10	1.45	1.23
Turner Valley	1	....	....	....	....	....	....	.60	.32	[illegible]	[illegible]
United	1	....	....	.40	.38	.38	6280	[illegible]	[illegible]	[illegible]	[illegible]
Vulcan	1	....	....	1.70	1.67½	[illegible]	4501	3.00	1.90	1.55	.85

To the Shareholders Granada Rouyn Mining Co., Ltd.

CAPITALIZATION $5,000,000

Shareholders are advised to have all stock registered in their own names in order to receive detailed report on results obtained by diamond drilling and shaft-sinking to date.

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WABIGOON-CONTACT BAY GOLD MINES, Limited

AUTHORIZED CAPITAL

$1,250,000.00 divided into 1,250,000 shares
Not subject to call. Non assessable. No bonds. No mortgages.
All common shares.

PAR VALUE $1.00

The Company own 1,040 acres mining property 7 miles from Dryden, Ontario, by water, and 13 miles by Government road to Town of Dryden on main line Canadian Pacific Railway.

There are 27 structures on the property, power plants and mining equipments. Four shafts sunk on the property, 5,000 feet diamond drilling completed to depths of 800 feet—mineralized zones—extensive widths were struck showing satisfactory enrichments of Gold. Additional diamond drilling for 10,000 feet, from 1,000 to 1,500 foot depths, is now under consideration for contract with Oscar R. Smith, of Sudbury, Ontario. Thousands of feet of trenching have been done on the vein systems and dykes exposing splendid deposits of sulphites carrying encouraging gold values in widths of 20 to 50 feet.

80 acres of the Company's holdings were acquired in August, 1928, for the consideration of stock and cash—trenching done on this property for 900 feet in length on the three veins and two dykes from which nearly 200 samples were taken—giving assay results up to $135.60 per ton—not one blank assay was found in the 200 samples—about 50 tons of ore stored in bins ready for shipping to Custom Mill.

It is intended to begin sinking a 500-foot shaft in the early Spring and erection of a mill as soon as that depth has been attained.

The diamond drilling and all technical work was under the supervision of John Handley, Mining Engineer of Toronto.

The exploration work was in charge of competent Mining Superintendent.

All assaying of drill cores was done at the Company's Laboratory at the Mine—the sampling of trenching done on the 80 acres were assayed by J. N. W. Bell, of Haileybury, Ontario.

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MINING ENGINEER
Colonel John Handley, Toronto, Ont.
In charge of Technical Operation from Sept., 1927, to Sept., 1928.

OFFICE
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Main Office, at Mine, Contact Bay, on Lake Wabigoon, Dryden, Ont.

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This is the first public offering ever made in Canada.

You may make advance reservations for Shares direct to the Company or through your Broker. The Company have no Solicitors for the sale of Shares.

Address all mail to Dryden, Ontario, Canada.

Reservation for shares prior to the offering
WABIGOON-CONTACT BAY GOLD MINES, Limited,
Dryden, Ontario, Canada.
(No personal liability)

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Name ....
Address ....

Ridout Formation Wins Enthusiasm From Geologists

Exploration Work to Date Shows Veins Carry Sound Values in Lead, Zinc, Copper, Gold and Silver

Ridout Basin promises to come to the front in Northern Ontario mining if the base metal discoveries continue to show the same promise that they have to date.

Little has been heard of Ridout area, although there are some half dozen groups more or less active in the area and a surprising amount of work has been accomplished.

Geologists Enthuse

Some good engineers and geologists have visited the area and some of the reports they have issued are said to have been of such an optimistic nature, that new publication has been withheld.

Work has been going on in the Ridout area fairly steadily for well over a year now. Public attention was first focused on the camp when one of the largest mine operators in the Dominion optioned one of the main groups in the area at a price said to create a record for a new camp. The option was dropped, but it is said that new efforts were put forth to renew it.

Ridout's Location

Ridout is located 140 miles northwest of Sudbury and eleven miles northeast of Sultan, on the main line of the C.P.R.

The main properties are in Ridout Township, from which the section gets its name, and in Cunningham Township adjoining on the west.

For the most part this section of the country is quite local, there being but slight depressions and the various streams are small and sluggish.

Well Timbered

There is quite a heavy timber growth with thin galacial drift on the ridges, which is thicker in the valleys and lowlands.

The area is in the Pre-Cambrian shield area, which consists of very ancient rocks much altered. The formation has been intruded by diabase dykes striking mostly east and west. Generally speaking the geology is called a banded iron formation. A band of iron formation about 2,000 ft. in width has been tapped by one property.

Mineralized Mountain

In one case a miniature mountain rises up in the heart of this formation for 2,000 ft. and the whole hill is believed mineralized. What commercial ore, if any, it contains, is not yet known, but if a commercial deposit is found, it will make for very cheap mining.

Interesting Formation

Geologists who have spent some time in the area say that a number of small rhyolite dykes intrude into the large diabase dyke, and they regard this of interest because of their connection with the ore. They are so close together and their influence so great that they have altered the whole mass.

One noticeable influence they had is noticed in the system of fractures approximately parallel to the dyke and extending in curves over the top giving the region in the western part of this area the general impression of ridges of anticlimes and synclimes in stratified rock. Contact metamorphism of the diabase on the sides of the rhyolite dykes is also a matter of interest.

But the most important result of the intrusion is that the fractures referred to are generally filled with quartz or dolomite veins arranged in bands giving an exposed section the appearance of gneiss especially where the exposure has been smoothed off by glacial action. These veins carry ores of lead, zinc, copper, gold and silver. In the western part of this area the ridges are over 200 feet higher than the lowland and, the veins in the lower outcrops are not only wider but show a distinct enrichment greater than the outcrops in the top. The diabase bands between the veins are also mineralized with sphalerite and galenite. While this mineralization is greatest near the dyke it extends outward so that the entire mass is mineralized as is shown by the assays of the cores of diamond drilling.

Experts Believe Values at Depth Exist at Ridout

Geological Reports on District Not Forthcoming—Too Optimistic?—Engineer and Geologist Hold Similar Views

Quite a number of engineers and geologists have reported on the Ridout country, but all these reports are not available. One has been prepared for the Federal Government, presumably the Dominion Geologist Survey. It has been coming out and coming out, but never seems to make the final jump, and the conclusion is that it must be a little too optimistic.

Experts Agree

The writer knows that there are other reports on this area that have been frowned upon for their frank statements. "Too good to be true," seems to be the idea back of those, who in Government circles, are known in many cases to lean backward in their be conservative-at-all-costs attitude, and have attempted to sit upon their publication.

The rather noticeable thing about the reports on the area is that so many extraordinary statements are to be found therein. It is not surprising at times to find that one engineer or geologist who visits an area is carried away by opinions he forms and breaks out with some startling views and predictions, but to find that this disease has taken hold of several who have examined the area, puts a different complexion on the outlook.

Deposition at Depth?

At the time of writing, the writer has possession of two reports, one by a geologist, the other by an engineer, on the area. It is doubtful if they ever met; one is of wide experience, the other of little, but who is a graduate of a school that turns out good men. Both deal with one interesting and always contentious question—depth. They are guessing, of course, but the background of their guess is their engineering and geological knowledge. There isn't the slightest doubt that officialdom would frown upon these statements, but there is also a real chance that these guesses will be right. They say:

The Engineer:—

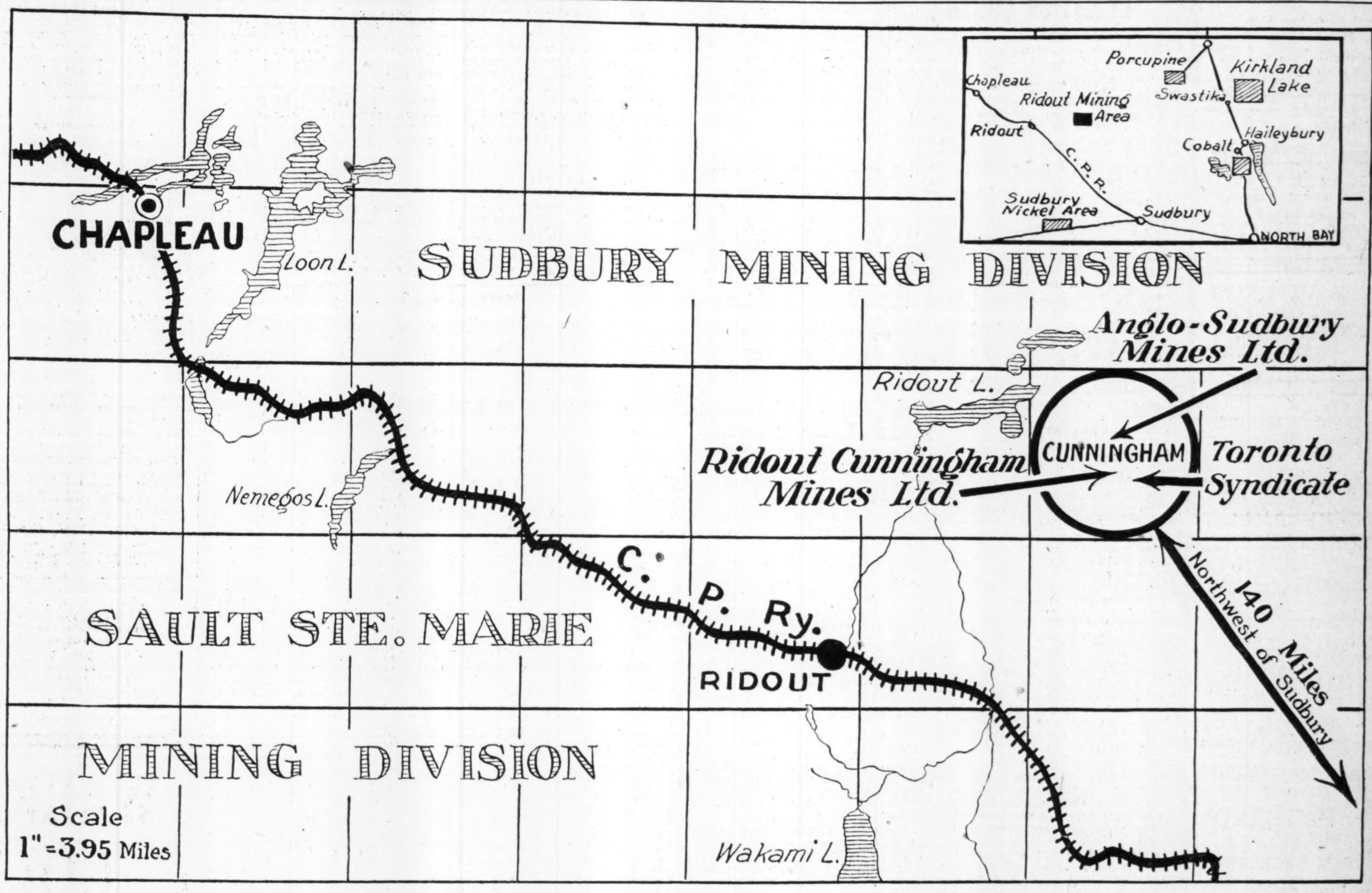
"It is evident that the intrusion of these Rhyolite dykes caused fractures which allowed the rise of magmatic waters, which filled the fractures with ore bearing veins, and extended outwards depositing Sphalerite and Galena in all the available cracks and fissures. For this reason it is possible that the veins will extend to a considerable depth."

The Geologist:—

"Another fact of great importance is that the ore bodies formed will extend to great depth, possibly as deep as the zone of fracture. While the values may not be so spotted as in the zone of secondary enrichment they will be uniformly high grade and will be practically inexhaustible in amount. The records of the daimond drill, now down lower than five hundred feet below the lowland level with a steady increase in values, indicates that the above statement is a conservative one.

The conclusions heretofore drawn are from the influence of the rhyolite dykes and the accompanying ore laden waters. The effect of the granite intrusion remains to be considered. Observational data necessary for a definite conclusion has not been gathered but as the drill approaches the contact much more will be known of its influence. Observations at the surface seem to show that the intrusion of the granite mass into the diabase and rhyolite dykes developed a much fractured zone which would be favorable to the concentration of ores. It is reasonable to suppose that the fractured zone near the granite intrusion has resulted in the formation of a stream valley and which has been widened by streams and glaciers into the area now under consideration. The general effect of the granite intrusion is likely to result in even a greater concentration of ore."

Where New Camp is Being Explored by Three Mining Companies



Ridout camp takes its name from the nearby lake and railway station, but is located in Cunningham township. The smaller map shows the relation of the camp to the other mineral areas of Northern Ontario.

Ridout Mining Area Attracts Attention, Has Possibilities

Much Exploratory Work Predicted for Next Summer—Encouraging Results Secured in Prospecting Several Properties

Ridout area has several properties of considerable merit which are showing up well under prospecting efforts. Some strong interests have been attracted to the area and it is predicted that the coming summer will see a great deal of exploratory work done.

Anglo-Sudbury Mines

Of the different companies in the field, Anglo-Sudbury Mines is much ahead of the others in work and results accomplished, and details of what they have done will serve to give a good idea of general conditions as well as about the veins, ore shoots and outlook.

R. K. Kilborn, M.E., a Queen's graduate who had experience with the Sudbury nickel operations, is in charge of this effort which for some time now has consisted mainly of diamond drilling. The reports of the different holes would seem to justify the claims advanced for the area, that its showings are well worthy of exploration.

Open Up Wide Zone

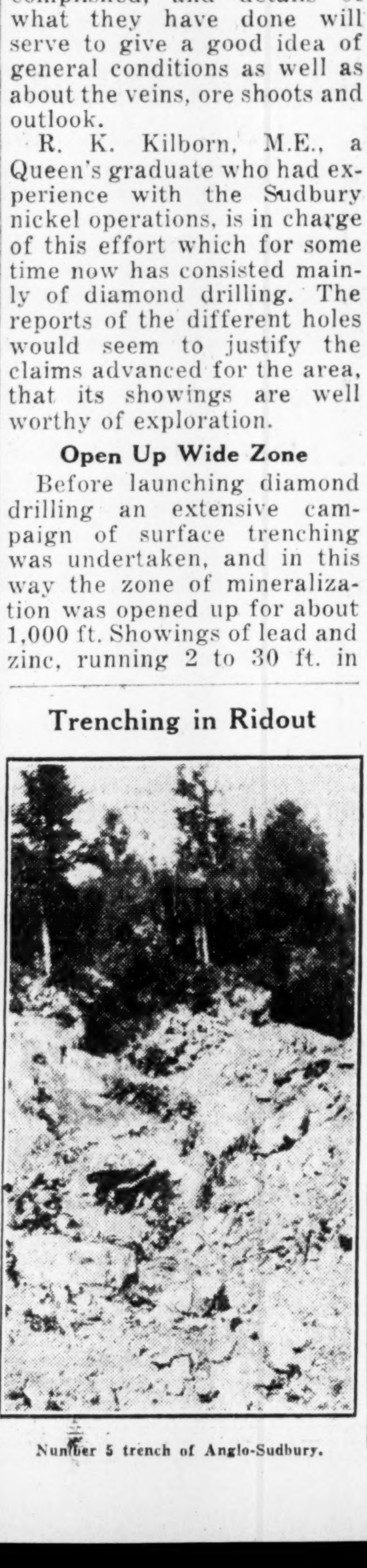
Before launching diamond drilling an extensive campaign of surface trenching was undertaken, and in this way the zone of mineralization was opened up for about 1,000 ft. Showings of lead and zinc, running 2 to 30 ft. in width were opened up in each trench.

This led to the decision to undertake diamond drilling and, so far, four holes have been completed, making in all about 1,400 ft. of drilling, which cut a vein of quartz and jaspetite—to quote from the engineer's report—carrying good values of zinc and lead; also values of copper, gold and silver. The drilling has proven the vein for a length of over 600 ft. and cross-sectional widths of from 20 to 35 ft. at vertical depths of between 100 and 300 ft.

Development work so far has been confined to one of a group of 20 claims. The work on the others has been for assessment and consisted mostly of trenching.

This company will continue to push ahead all winter and they express the hope that by the time spring arrives sufficient information will be at hand, if drilling results continue favorable, to warrant the installation of a mining plant and the launching of sinking operations.

Trenching in Ridout



Number 5 trench of Anglo-Sudbury.

Toronto-Sudbury Will Diamond Drill Claims

Toronto Sudbury Mining Syndicate is reported to be arranging for the diamond drilling of its property in Cunningham Township, Sudbury Mining District, and will proceed with this work as soon as the necessary funds have been secured.

The syndicate's property ties on to the Anglo-Sudbury Mines on the southwest. It comprises six claims, on which considerable surface work consisting of stripping and cross-trenching was done last fall. This is reported to have disclosed a break 250 feet wide, which was traced for a distance of 1,000 feet.

Ridout-Cunningham Considers Drilling

Ridout-Cunningham Mines are reported to be securing satisfactory results from the exploration program now in progress on its property. The company was formed through the merging of a number of syndicates holding claims in Cunningham Township. These comprise a block of some 102 claims, which adjoin the Anglo-Sudbury Mines on the north along the continuation of the strike of the latter.

Work was started here last September, since which date a crew of some 25 men have been engaged in stripping, cross-trenching and test pitting. The work is being carried out along the recommendations of Douglas A. Mutch, consulting engineer.

Results obtained from this work are reported to have been of a sufficiently promising nature to warrant further exploration by diamond drilling, and efforts are now being made to finance such an undertaking.

The officers and directors of the company include:

G. B. Nicholson, president; W. J. Bell, vice-president; V. Chappel, secretary-treasurer; Douglas A. Mutch, consulting engineer.

Directors: G. B. Nicholson, Chapleau, Ont.; W. J. Bell, Sudbury, Ont.; V. Chappel, Chapleau, Ont.; P. C. Hopkins, Toronto.

Mineralization Declared to be Wide

The north wall of the mineral zone at Ridout. The width of the mineralized area is seen over the hill, looking south.

ANGLO-SUDBURY FIRST TO ENTER RIDOUT CAMP

Smylie's Discovery Leads Others to Stake Adjoining Ground

Considerable interest has been attracted to the mining possibilities of Ridout Basin, a territory which embraces the watersheds of the Ridout and Wakami Rivers, and includes the townships of Cunningham, Greenlaw, Garnet and Tombs, in the Sudbury Mining Division, on the main line of the C.P.R., 137 miles northwest of Sudbury.

Is a Pioneer

The efforts of the Anglo-Sudbury Mines have focussed attention on the district, for in a sense it is the pioneer, as although mining claims were staked in the Ridout a number of years ago. Anglo-Sudbury is the first mining company to carry on a systematic campaign of exploration and development.

The first staking in the district took place about 20 years ago when a number of claims were staked for Austin Nicholson, a Chapleau lumberman, and considerable prospecting done for iron. Surface work revealed the iron deposits were not of commercial value, and the work was abandoned.

Discover Zinc, Lead, Copper

In April, 1927, J. W. Smylie with a party traversed the townships of Garnet, Cunningham, and Greenlaw, looking for zinc and lead, and in May, discovered outcroppings of zinc, lead and copper on what is known as the "Mountain" claims on Isaiah Creek. The ground was immediately staked and surface work begun, resulting in the discovery of spectacular lenses of ore on the present property of the Anglo-Sudbury Mines.

In February, 1928, a syndicate was formed by J. W. Smylie, for the purpose of financing the development of the properties in the Ridout, and Anglo-Sudbury Mines, Limited, was duly incorporated under the Ontario Companies Act with a capitalization of 600,000 shares of $1 par value.

A crew of men was then sent in to build camps and a road was started from Sultan station on the main line of the C.P.R. to the property, a distance of 11 miles. The work was completed by June, permitting the hauling in of supplies by team. In the meantime, the camp buildings had been completed. These included cook camp, sleep camp, depot camp, office, diamond drill setters' camp, supply camp, commissary, root house, stable and drill house.

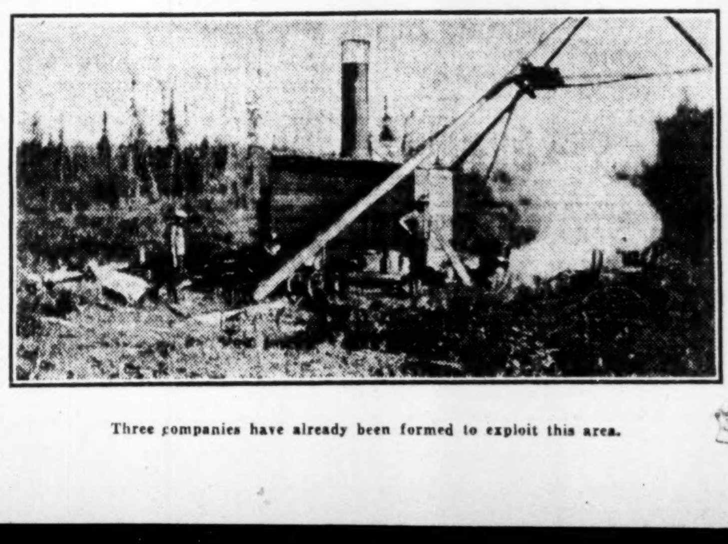
While this work was going on the task of opening up the property progressed steadily and extensive trenching-stripping, and test-pitting was carried out. The results obtained were deemed of sufficient importance to call for diamond drilling, and in August drilling began.

This work has been in continuous operation ever since, five holes having been put down to date, the results from which are reported to show encouraging and satisfactory results.

Since Anglo-Sudbury began work in the district, a number of other companies and individuals have taken up ground. Several syndicates holding ground in the district recently merged, and a company known as the Ridout-Cunningham Mines, Limited, has been formed as a result, to prosecute the development of its various holdings, which comprise some 102 claims in all and tie on to the Anglo-Sudbury on the north. Since beginning operations, the company is reported to have secured good surface values, and is now considering diamond drilling.

The Toronto Sudbury Syndicate, ties on to the Anglo-Sudbury group on the southwest. It is reported to have encountered fine showings over a width of 250 feet in an extensive trenching campaign carried on during the past season, and is now arranging financing to provide for a diamond drill campaign.

Diamond Drilling in Ridout Camp



Three companies have already been formed to exploit this area.

Mineral Wealth May Come From Section Considered Barren

Many Pin Hopes on Ridout-Cunningham Camp—Fully Confident Dogged Effort Will be Crowned with Success

The hunt for mineral in Ridout Township, 140 miles west of Sudbury on the C. P. R., is of considerable significance. This area is in the heart of the great barren area that separates the East from the West.

Daring Pioneers

Some time ago The Financial Post pictured this vast section producing a tremendous new mineral wealth, and was quite taken to task by one of Canada's ultra-conservative of the ultra-conservative mining engineers.

Many pin great hopes in such operations as at Ridout and Serpent River basin, nearer to Sudbury. Both these areas are base metal, as are also the White River lead operation of Sudbury Basin and the Lake Geneva operation of Towagmac.

Not a great deal is heard of these numerous operations, battling against odds in an area that has been condemned and revived many, many times.

Engineer's Prediction

As one engineer said recently: "Wait! One of these groups is going to 'click' one of these days and then watch out. You may yet live to see a string of producing mines stretching across this section."

ANGLO-SUDBURY IS CONSIDERING 250-TON MILL

President Says Plans Will Depend on Further Work

The erection of a 250-ton concentrator is under consideration by the Anglo-Sudbury Mines operating in the Ridout Mining Camp, Sudbury Mining Division. Plans are now being made and construction is considered for next summer, J. W. Smylie, president of the company informs The Financial Post.

Results obtained from surface exploration, trenching, stripping, test pitting, and diamond drilling have been such as to induce the company to consider this step. Five drill holes have been put down to date and others are to follow. When complete data has been obtained, definite plans will be made.

Work carried out to date, he states, indicates that by open-cut work, commercial ore can be recovered from ore body 30 feet wide, 300 feet long and at least 200 feet deep.

The company's Ridout property consists of 26 claims, 1,040 acres and is located eight miles northeast of Sultan on the main line of the C.P.R., about 137 miles northwest of Sudbury. The claims are situated on Isaiah Creek and Smylie Lake in Cunningham Township.

To date over 15,000 feet of

(Continued on page 24)

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EL DORADO WILL INVEST ITS FUNDS IN OTHER MINES

Shareholders Assign Portion of Funds for Exploration

El Dorado Mines will invest a large portion of its liquid assets in investing in mining and other securities. This step was decided on at the annual meeting of the company recently held in Toronto.

It was decided the sum of 50,000 should be appropriated to exploratory work for the purpose of locating new properties, and the balance, some $200,000 be applied toward investment. The company's powers in this regard are now being investigated, and if necessary, supplementary letters patent will be taken out to enlarge the company's scope in this regard.

Mine Closed

A report of developments leading to the closing down of the property was given by General Manager Gilbert LaBine, who stated that results during the past year had been very discouraging, especially as at the time of the previous annual meeting the vein looked particularly promising where it had been cut at the first and second levels. The plant had since been dismantled, he said, but none of the machinery had been taken away excepting some pipe and rail, which had been sold to neighboring companies. Application had already been made for patent on properties along the main break, he stated. Shareholders were of the opinion that no part of the property should be relinquished.

The company's annual report showed that $188,130.26 had been expended on development, in addition to administration expenses. A total of approximately $570,000 had been received from the sale of capital stock.

A by-law was confirmed, changing the end of the company's fiscal year from Nov. 30 to Dec. 31. Directors were re-elected, with the exception that W. L. Forest was replaced by H. M. Parras.

El Dorado's decision to abandon the operation was arrived at after extensive underground work was carried on at various levels from 125 to 500 feet depth. Although encouraging showings were found at the 125 level, especially near the shaft deeper workings did not reveal commercial ore. Neither did extensive workings on the 125 level. In view of these facts the superintendent advised discontinuing further operations.

It is the intention of the company to acquire other properties of potential merit as soon as the opportunity presents.

The company's balance sheet indicates a strong financial position. Assets shown include $257,731 invested in bonds, $3,748 cash and other liquid assets $17,323. Current liabilities are under $2,000.

LARTIC STARTS LATERAL WORK ON TWO LEVELS

Hope to Pick Up Vein 50 Feet From Shaft on 1st Level

Lartic Gold Mines operating in the Cadillac-Malartic section, northwestern Quebec, has bottomed its shaft, completed station cutting on the 250 foot horizon, and is now driving to the vein on two levels, the 125 and the 250.

It is anticipated the cross-cut on the upper level will intersect the vein approximately 50 feet from the shaft, and that the drive on the 250-ft. level will break into the vein after approximately 100 feet of cross-cutting.

Development work on the Lartic is being carried on by Newbec Mines, the latter receiving a stock interest for the work done. Some thirty men are employed on the property. The operation is being directed by Leonard G. Smith, mine manager of Newbec Mines.

Promising values were secured by Lartic in the original prospect shaft sunk on the property which was put down to a depth of 57 feet. Grab samples were reported to run from $13. to $19.

Lartic started sinking its present shaft last September by hand steel. A steam plant was installed in November when sinking by power got under way.

Buckingham to Raise Funds

The directors of Buckingham Mines, operation in the West Shining Tree District, have authorized the underwriting of a block of 600,000 shares to provide funds for development work. Under the option the stock will be taken up at prices ranging from 20 to 60 cents.

A. A. Lee has been appointed mine manager. Mr. Lee was formerly on the Coniaurum engineering staff.

President J. E. Day has been authorized to make a contract for shaft-sinking, as soon as it is recommended by the consulting engineer, Douglas Mutch.

ANGLO-SUDBURY IS CONSIDERING A 250-TON MILL

(Continued from page 23)

trenching and stripping has been carried out, and the fifth diamond drill hole is now being put down on No. 1 vein. The vein itself has been traced a distance of 1,200 feet and shows an average width of 30 feet.

Values Obtained

Development work has been largely concentrated on claim S9320, which has a mineralized break 1,000 feet wide, divided into six dykes with a north-easterly strike, and having widths of from 15 to 75 feet.

The following values have been secured in trenching:

Trench No. 1 — 15.34 per cent. lead; 20.94 per cent. zinc; three foot channel sample.

Trench No. 2 — 4.59 per cent. lead; 17.77 per cent. zinc; 9 foot channel sample.

Trench No. 3 — 6.32 per cent. lead; 21.16 per cent. zinc; seven foot channel sample.

Diamond Drill Results

A series of five diamond drill holes have been put down along the strike of No. 1 vein. Values from the fifth hole are not yet available but the following values are reported for the other holes:

Hole No. 1—Vertical depth 346 feet, 10.11 per cent. zinc, 26-foot section.

Hole No. 2—Vertical depth 79 feet, 0.3 per cent. copper; 2.37 per cent. zinc — 30-foot section.

Hole No. 3—Vertical depth 79 feet, 1.26 per cent. lead; 6.04 per cent. zinc, 30-foot section.

Hole No. 4—Vertical depth 85 feet, .12 per cent. copper, 1.05 per cent. lead, 6.62 per cent. zinc, 31 foot section.

Operations on the Anglo-Sudbury property are being carried out by a crew of 20 men who are under the direction of R. H. Kilborn.

Other Properties

In addition to its Ridout property, the company owns two groups of claims in the Shining Tree district, comprising some 720 acres, and a fourth group in Sudbury Basin of 80 acres.

The Shining Tree property is located in Fawcett Township, two miles east of Buckingham Mines. Exploration work has been in progress on this group since last November. Trenching has resulted in the discovery of a copper-bearing vein, that has been traced for a distance of 600 feet, and shows an average width of six feet. Values of 13.5 per cent. copper have been obtained. A 40-foot schisted dyke cuts through the formation at right angles, from which values of $2 in gold, 1 oz. silver, and from 1 to 1½ per cent. copper have been obtained. A crew of eight men are employed here in charge of George Hall. Diamond drilling is planned for the property, the work to be done next summer.

Anglo-Sudbury Mines is capitalized at 600,000 shares of a par value of $1. Shares issued total 457,000 and there is $15,000 cash in the treasury, and all properties are fully paid for.

The officers are:—J. W. Smylie, president; Dr. C. A. Warren, vice-president and treasurer; E. L. Claridge, secretary.

Directors—J. W. Smylie, Toronto; Dr. C. A. Warren, Toronto; E. L. Claridge, Toronto.

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COXHEATH MINE IS SHAPING UP AND ARNO RISES

Encouraging Reports Send Arno Into Prominent Market Position

Encouraging reports from Arno Mines, Nova Scotia property, the Coxheath Mine, ten miles from Sydney, Cape Breton, have been reflected in the market this week where Arno has achieved the position of one of the outstanding market leaders.

The Coxheath property comprises approximately five square miles of territory and is located five miles from tidewater. It was worked as far back as 1881 and intermittently until 1901. During that time five shafts were sunk to depths varying from 40 to 350 feet and some 1,000 feet of lateral work done. It has been estimated that approximately 50,000 tons of ore were proved up, by this work, although only about 4,000 tons were hoisted to surface. The property lay idle until Arno secured an option and after installing a mining plant, proceeded to dewater and examine the old workings.

Ore Runs 10 Per Cent. Copper

The dewatering of the shaft to permit examination of the 190-ft. level, and a second branch vein has an ore body 400 feet long, showing 10 per cent. copper for a width of five feet, 7 per cent. over eight feet, and 4 per cent. over a width of from ten to twenty feet. Dewatering of the shaft will permit the examination of the 240-ft. sub-level this week. After examination of the 135-ft. level, Mine Manager Wm. Beaton wired head office that good ore showed for over 200 feet.

Consider 500-ton Mill

The Arno property has recently been examined by Andrew Walz for independent interests, by Eric Holt for F. M. Connell, and several other engineers have been sent down to report for other parties. In view of the recent development it is stated the directors are considering extending their plans for development, and the erection of a 500 ton mill may be authorized within the next six months.

Arno has had a spectacular market career since the first of the year, having surged forward from a low of, 19¾ cents to reach a new high record of $1.75 a share.

OMO MINES HAS LEAD DEPOSITS OF IMPORTANCE

Property Situated on Upper Duncan, North of Kootenay Lake

From Our Own Correspondent

NELSON, B.C.—The public has only the faintest conception of the magnitude of the ore disclosures on the great Riverside lead in the Upper Duncan, north of Kootenay Lake, asserts J. T. Omo, Spokane, president of Omo Mines Corporation. Mr. Omo a few days ago received a report from Superintendent Jack Thompson.

The ledge has been stripped for a mile and a half and has been crosscut at innumerable points on the surface, possibly 50 in number, and at five points underground. Tunnels have been driven to the vein, and at no point has the work failed to show the ledge's characteristic ore, the ore widths ranging from two to 30 feet, Mr. Omo states. The extreme width so far is in a surface cut.

Ore opened in the five crosscuts underground has run as wide as 14 feet, and the five crosscuts have from four to 10 feet of high grade with their milling ore. The latest of the five has 14 feet of ore with 10 feet of it high grade, the crosscut being 70 feet below the outcrop.

Wherever cut, either on the surface or underground, the lead has shown a streak of clean ore, six to 14 inches in width, on the foot-wall, in addition to whatever else it may be carrying. There is also a streak of graphite along the foot-wall, which commonly is an indication of depth.

Recent crosscutting has been in the Portland group. The crosscuts, Mr. Omo states, show the ore carrying 65 per cent. lead and 19½ ounces of silver.

After the big ledge has been sufficiently tested by the series of crosscuts now going in, the next move probably will be to sink from some of them and follow the ore down some distance.

Assuming that the ore does go down and that the great tonnage exists that exploration so far points to, Mr. Omo is of opinion that ultimately the ledge will have to be tapped by working tunnels at two or three points, to be worked to the greatest advantage. Of 17 claims, 14 are on the line of the lead, and three give working sites.

NEWBEC MINES IS CROSSCUTTING ON TWO LEVELS

May Reach Drill Intersection Within 200 Ft. of Shaft

Newbec Mines has completed its present shaft-sinking program and will now concentrate on lateral work. The shaft has been bottomed at the 250-ft. horizon and stations have been cut here, and at the 125-ft. level above. Cross-cutting toward the fracture zone is now under way on both levels.

Newbec carried on considerable diamond drilling during the past summer prior to locating the site of its permanent shaft. One hole cut 11 feet of massive chalcopyrite and pyrrhotite and six feet of disseminated ore at a vertical depth of 260 feet, 400 feet east of the shaft.

The present intention is to extend the crosscuts on both levels to pick up the ore indicated by diamond drilling. It is estimated that one of the diamond drill intersections will be encountered about 200 feet from the shaft on the 125-ft., and 200 feet from the shaft on the 250-ft. level. The core from this diamond drill hole gave assays of six per cent. copper over a width of twelve feet at the 125-ft. horizon, and four per cent. copper over a width of ten feet at the 250-ft. horizon.

Stock Buoyant

A progress report was submitted the directors at a recent meeting held in Toronto by Mine Manager Leonard G. Smith. Newbec stock has proved a popular speculative stock on the market ever since some outstanding values were secured in some of the holes put down in diamond drilling the property last summer. It has lately shown a tendency to move upward on slight provocation. Following last week's meeting the stock moved forward several points although no outstanding developments were made public by the directors, and it is doubtful if any news of importance will be forthcoming until crosscutting has been completed and the work of opening up the fracture zone has begun.

Newbec is located some six miles northwest of Noranda on Dufault Lake, Dufresnoy Township. It is adjoined by Waite-Ackerman-Montgomery on one side and the Gilbec on the other. Waite-Ackerman-Montgomery has been shipping upwards of 2,000 tons of copper ore a month to the Noranda smelter since last August while Gilbec recently made an initial shipment of some fifty tons to the Noranda smelter.

The fact that Noranda has a stock interest in Newbec is a factor which is partially responsible for its favor with the speculating public

1928 Lead and Zinc Output

The world output of zinc in 1928, as estimated by the American Bureau of Metal Statistics, was 1,563,324 short tons, as compared with 1,465,070 tons in 1927. Of this total 81,942 tons were produced in Canada and 619,595 tons in the United States. World production in December amounted to 137,210 tons, against 131,555 tons in November and 130,919 tons in October. The daily average rate for the full year was 4,133 tons, compared with 3,910 tons in 1927. The estimate of world lead output for 1928 was 1,818,836 tons, against actual production of 1,856,441 tons in 1927. Last year Canada's share of the total was 169,562 tons. World production in December was 163,307 tons, compared with 162,755 tons in November and 153,046 tons in October.

Callinan Flin-Flon Secures Gold Values

Callinan Flin-Flon has secured high gold values in addition to copper, on its Smith-Pride group, which is located about two miles from the Sherritt-Gordon.

Assays over 8½ ft. width are reported as showing $7.50 to $8.75 gold, with copper content around six per cent. Pit No. 7 is down past 25 feet. A considerable quantity of ore is already blocked out and diamond drilling is planned immediately. G. M. Thorpe is in charge of operations.

On the six Baker-Patton claims at Sourdough Bay, about 2,500 feet of drilling has been done, a shaft sunk to 435 feet, and three levels opened up. At that depth a new orebody was struck which, in the opinion of Engineer E. F. Elliott, is quite as promising as the one on the upper levels.

Work has been temporarily suspended on this group and the Flin-Flon group as well. It is understood a deal is being negotiated with American interests.

Geological Survey Issues New Report

The summary report representing the results of investigations carried on by the field parties of the Geological Survey of Canada during the summer of 1927 has been published.

Dr. G. S. Hume reports on the structural features from a petroleum geologist's point of view of the geological formations of an area near Bragg creek in the foothills of Alberta, northwest of the Turner Valley oil field. This particular report was printed separate and distributed a few months in advance.

Dr. F. H. McLearn describes the stratigraphy and structure of an area in the eastern end of the Cypress hills, Saskatchewan, and Dr. J. F. Wright describes the Pre-cambrian geology of the Island Lake district, eastern Manitoba, in which there are areas underlain by rocks similar to those in which commercial mineral deposits have been discovered elsewhere in Canada.

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THIRD SECTION

Featuring Steel and Construction Issues

THE FINANCIAL POST

THIRD SECTION

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PRIMARY PRODUCERS WOULD BE HELPED BY TARIFF CHANGE

But Cabinet May Dodge Responsibility of Revision of Controversial Nature

Secondary Industry is Opposed to All Pleas

PROBLEM PERPLEXING

Maritime Needs for Markets, Plus Advantage as to Coal, Make Ottawa Job Serious

From Our Own Correspondent

OTTAWA.—In the past year there have been many forecasts of an upward revision of the iron and steel schedule of the tariff, but whether the session of parliament soon to begin will hear any declaration of policy in this regard depends, almost entirely, upon the way the present applications before the tariff advisory board develop.

The investigation by the board into the iron and steel industry virtually has been completed, at least the first stage of the industry (the producers of iron and steel) has been probed thoroughly; only the secondary industries remain to be considered.

In so far as the producers are concerned, their case is on the record of the board; their position has been disclosed to the public in minute detail and anyone who cares to read the evidence may be in a position to judge intelligently, any policy which may be proposed by the government.

Cabinet May Do Nothing

The industry has spent thousands of dollars in gathering and collating information to prove the case for greater protection and the government cannot evade dealing with it soon or late. It is by no means certain, however, that a government policy will be formulated and announced in the present session, but, on the contrary, it rather appears as if the cabinet after reviewing the case may decide upon a policy of "do nothing."

Even a superficial examination of the evidence now before the board and printed in pamphlet form discloses the fact that the iron and steel industry presents a tariff problem bristling with difficulties and impossible of a complete solution which will please all sections of the Dominion. It is a problem which is further bedevilled because the coal tariff is inextricably involved with iron and steel and what agreement is possible between iron and steel producers when considering only the steel tariff disappears the moment coal is brought into the picture.

Is Complex Problem

Looked at from a distance, therefore, the iron and steel tariff problem is one of unimaginable complexity and the most obvious solution, from the viewpoint of the government, is to permit the struggle now proceeding before the tariff board to continue to the logical end when the various members of the industry will have largely destroyed their respective cases.

Yet to do this would be to adopt a role of cowardice because the iron and steel industry, apart from conflicts of interest within itself, has suffered and is suffering acutely under tariff injustices which need only to be stated to be appreciated. However bitter has been the fight at Ottawa and however successful one company may have been in destroying major arguments of another, there have emerged all along the line cases where tariff revision is clearly required: inequalities, discriminations, needless handicaps, advantages clearly intended by parliament but unenjoyed because of doubtful phrases in orders-in-council, and so on. Unquestionably the government can do much for the industry without once encroaching upon the ground which has proved so controversial before the tariff board.

Algoma's Case

A glance at the iron and steel tariff case will reveal the difficulties with which it is surrounded. Two basic producers have applied for higher tariffs. Algoma Steel Corp. has made several requests:

(1) Repeal of present drawbacks of 99 p.c. on steel billets, flat spring steel and railway spiral spring steel. This would bring the present duties into operation as follows: steel billets $1.50 per ton B.P. (British preference); $2.50 per ton general tariff; flat spring steel, $4.25 per ton B.P.; $7 per ton general.

(2) Changing the duties on alloy steel bars, angles and beams from a specific (now $4.25 per ton B.P.; $7 per ton general) to an ad valorem basis and fixing the rate at 15 per cent. B.P.; and 25 per cent. general. Taking alloy steel billets from the same specific duty and making them dutiable at 10 per cent. B.P.; and 17½ per cent. general.

(3) Increasing the duty on structural steel, now $2 per ton B.P.; and $3 general to $4.25 B.P. and $7 general.

(4) Increasing the duty on pig iron from $1.50 per ton B.P.; and $2.50 general to $2 per ton B.P. and $3.50 general; and on billets, blooms and slabs from $1.50 per ton B.P.; and $2.50 general to $3. B.P. and $5 general.

Disco Concurs

The other applicant, the Dominion Iron & Steel Co. of Nova Scotia, makes the same request as Algoma in regard to several tariff items and, in addition, desires a moderate increase in tariff on rolled iron and steel sheets and strips.

Obviously these are not excessive demands as tariffs go in Canada and yet the mere publication of these suggested amendments to the Customs Act called forth expression of opinion, either by letter or resolution from upwards of 1,200 persons, companies or organizations in the country and the hearing of the case by the board at Ottawa drew business men from every province representing a wide variety of industries. Indeed it was found impossible to conclude the inquiry within the time allotted last November and further hearings have taken place within the past month. These later hearings were made necessary, because while the basic manufacturers had completed their deposition, the secondary and tertiary industries demanded more time in which to prepare their case, and no end of grave and baffling questions such as depreciated foreign currencies and low living standards in Europe remained to be explored.

Producers Handicapped

The investor, however, is not so much interested in the detail of the fight for higher iron and steel as he is in the major developments which have occurred up to date and in what the government is likely to do in the next budget. In a nut-shell, there have been two outstanding developments, each one of great importance in so far as future government policy is concerned.

The iron and steel producers have in reality been fighting at Ottawa for a fair measure of protection in contrast with the secondary and tertiary industries. The injustice and inequality is not readily seen because there are scores of items in the iron and steel schedules of the Customs Act and some are specific and others are ad valorem, making comparison impossible.

But reducing all these rates to a percentage basis, it does become apparent that the basic producers labor under a real handicap. For example pigs, blooms and billets are now protected by a duty of about 8 per cent. whereas wire is dutiable at 21 per cent., chains at 24 per cent., hardware at 26 per cent. and springs at 31 per cent. But, it may be said, these are more advanced manufacturers and therefore more costly and more in need of higher duties. Do not forget, however, that these are ad valorem duties which automatically become larger as the cost upon which they are imposed increases. Eight per cent. on a ton of steel is not a very large amount, but eight per cent. on the value of jack knives made out of that steel might easily amount to a great deal more than the total value of the raw material.

Ford Fights Proposal

Another phase of this bitter conflict between the producers and the secondary industries is this—that those, in Canada, who buy from the basic producers realize that higher protection will mean higher prices for iron and steel and, therefore, higher cost of production for everything made therefrom. The secondary and tertiary industries are opposing any increase in the iron and steel duties unless everyone is to get some. One might classify these industries as the foundries, pipe, wire, nail, fabricators, screws, nuts, tools and other similar manufactures and, most important of all, the automobile manufacturers and the makers of automobile parts.

The opposition of these industries has been forthright and unremitting and the chief company to give evidence at the final hearing of the tariff board, beginning just as this is written, is the Ford Motor Company of Canada. This huge industrial concern is violently opposed to the iron and steel producers and when it is pointed out that 75 per cent. of the steel produced by the Algoma mills between 1924 and 1927 was consumed by the Ford motor company, the strength of this opposition may be gauged. E. R. Musselman, the Ford official who appeared before the board, summed up the issue as being "a question as to which is more essential to a country—a basic industry or a secondary manufacturing industry." And the writer has a distinct recollection of a statement being made that if the proposed increases were granted, the Ford Motor Company would hang up the shutters on the Canadian plant and move over to Detroit.

Buy Much From U. S.

The makers of automobile parts were equally opposed to tariff increases and advanced most cogent reasons in support of their position. They constitute an important industry, particularly in Ontario, and because of the nature of their business they would be hard hit if not ruined by substantial increases in the steel duties. Their position is easily explained. Makers of automobile parts must be prepared to fill orders very quickly and therefore must obtain delivery of the steel out of which the parts are made more rapidly than is possible either from the Algoma or the Nova Scotia producers. If these makers could say to Canadian steel producers—"we will require so many tons of steel per month in the next year"—then there would be no difficulty about filling the orders. But they cannot give any assurance of this kind, nor can they declare in advance when they will have to have steel or in what quantities. This is a condition fastened upon them by the nature of automobile production. When the automobile manufacturers are busy, the part makers are busy and so on.

For these reasons the part makers are compelled to import much of the steel they use and, of course, the cost of this raw material would be enhanced if the present drawbacks were rescinded and the full tariff made effective.

See Double Competition

Further, the parts makers claim that the slightest reduction in their present advantage over U. S. competitors, either by increase in the price of raw materials or in a cut in their tariff, would be sufficient to throw all the business to the south and they made out a very good case in support of this contention. At the present time the tariff on auto parts is very moderate—about 20 per cent. Nearly all the automobile manufacturers in Canada are subsidiaries of United States corporations which own and operate large auto-part factories in the republic. It is apparent, therefore, that the Canadian parts makers in quoting prices cannot take full advantage of the tariff but must allow, also, for the profit the car manufacturers would make if the parts were made across the line.

Or put it this way: A Canadian car manufacturer requires parts. Will he order from a Canadian parts manufacturer or from his parent company in the U.S.? Obviously he will give the order to the parent company if at all possible and the parent company might be glad to get the order and to do the work at cost price, charging no profit, in order to keep the parent plant in full operation and the overhead expenses down. The Canadian parts maker therefore cannot even sell up to the tariff but must meet this unusual and double competition arising out of the fact that the automobile factories are branches of U. S. corporations.

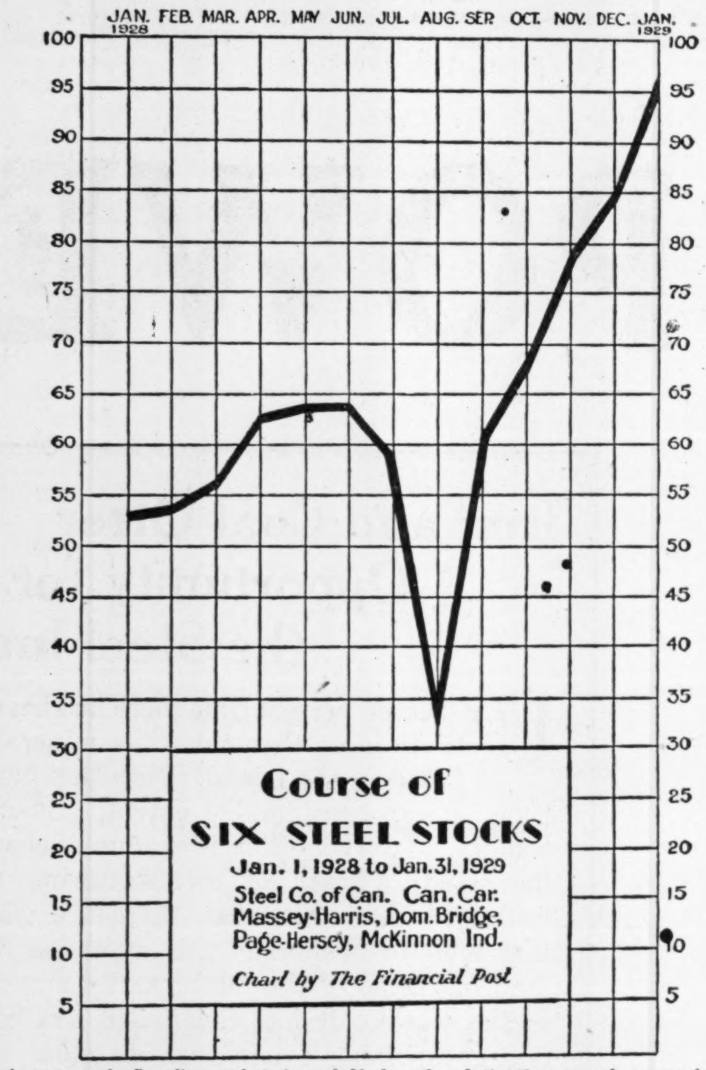
All along the line the secondary industries made out good cases against increasing the iron and steel duties and undoubtedly the views of these industries, which have a larger pay roll than the primary industries and therefore are more formidable politically, will carry weight with the cabinet. It has not been possible in this article to do more than cover the cases of one or two of these secondary industries but in addition to the auto part makers and the automobile industry there were many others who appeared before the Board.

Coal Problem Most Serious

The other stumbling block in the path of the iron and steel industry is equally serious. The industry cannot agree upon a coal tariff, and since coal perhaps is the most important raw material in the production of iron and steel, it is obvious that the disagreement is both seri-

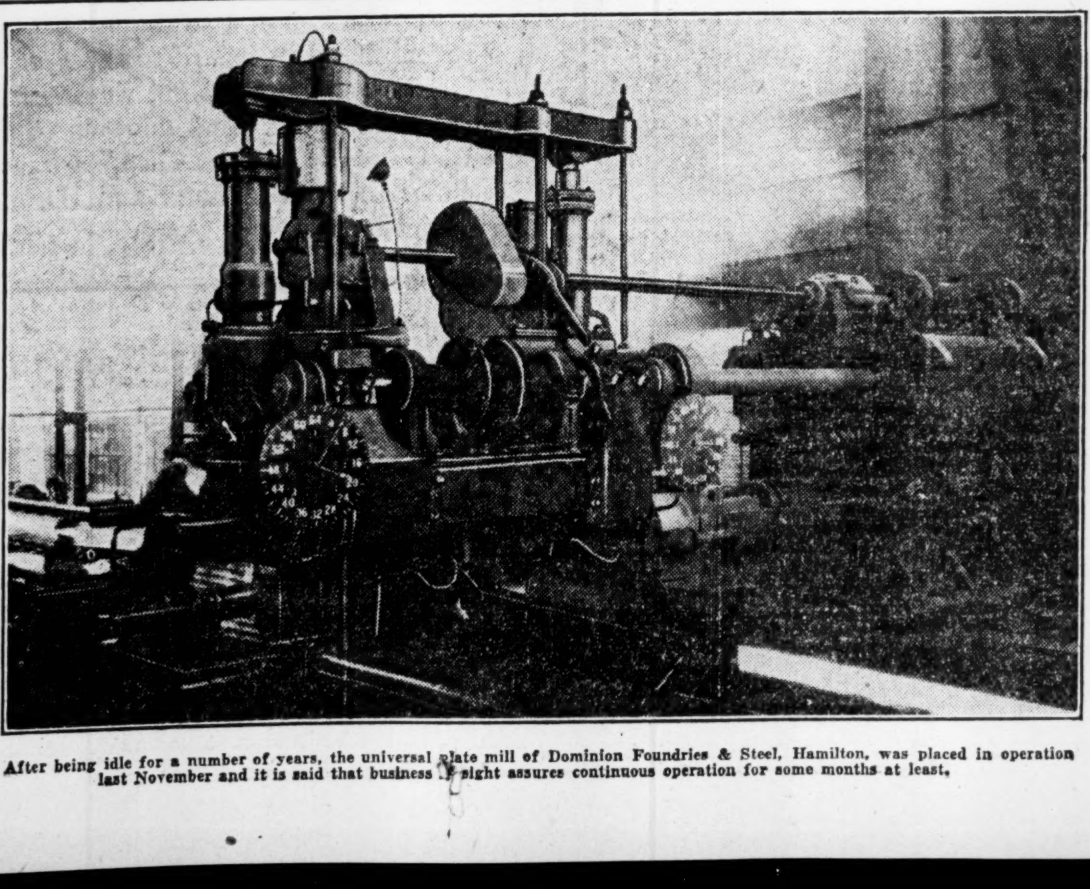
(Continued on page 34)

Steel Stocks Ascend Sharply



As a group the Canadian steel stocks probably have done better than any other group in the Canadian market in the last several months. The average of the six stocks used in compiling the above chart dipped sharply during the August slump in the market, but there was an even more rapid gain later, and the group finished the year materially higher than at the start. In compiling the chart, Steel Co. of Canada was considered as having been split on January 1, instead of ten months later, the market price in the earlier months being divided by four.

Universal Plate Mill Being Operated at Hamilton



After being idle for a number of years, the universal plate mill of Dominion Foundries & Steel, Hamilton, was placed in operation last November and it is said that business in sight assures continuous operation for some months at least.

STEEL, IRON MAKERS FACE GOOD YEARS

Production of Furnaces Grows More Rapidly Than Imports

PLANTS EFFICIENT

Output in Relation to Foreign Purchases Indicates Home Manufacturers More Than Holding Own

Pig iron production in 1928 was 1,037,535 tons, compared with 709,697 tons in the previous year. Steel production in 1928 was 1,240,214 tons, compared with 907,638 tons in 1927.

There, in two sentences, is the story of the improvement in the outlook for the three primary producers of iron and steel—Steel Co. of Canada, Besco and Algoma Steel Corp. These three contribute the great bulk of the pig iron and steel production.

It is distinctly encouraging from the point of view of the Canadian iron and steel industry that, while domestic production of pig iron is up approximately 46 per cent. in the last calendar year, domestic steel production is up approximately 37 per cent., imports of the principal iron and steel products increased less than 15 per cent. for the year ended March 31, 1928.

Importation of iron bars and rods decreased 14 per cent., while imports of castings and forging was down 9.38 per cent. Band and hoop iron was another import which recorded a decrease over the previous year, the drop being 11.75 per cent.

Canadian Plants Efficient

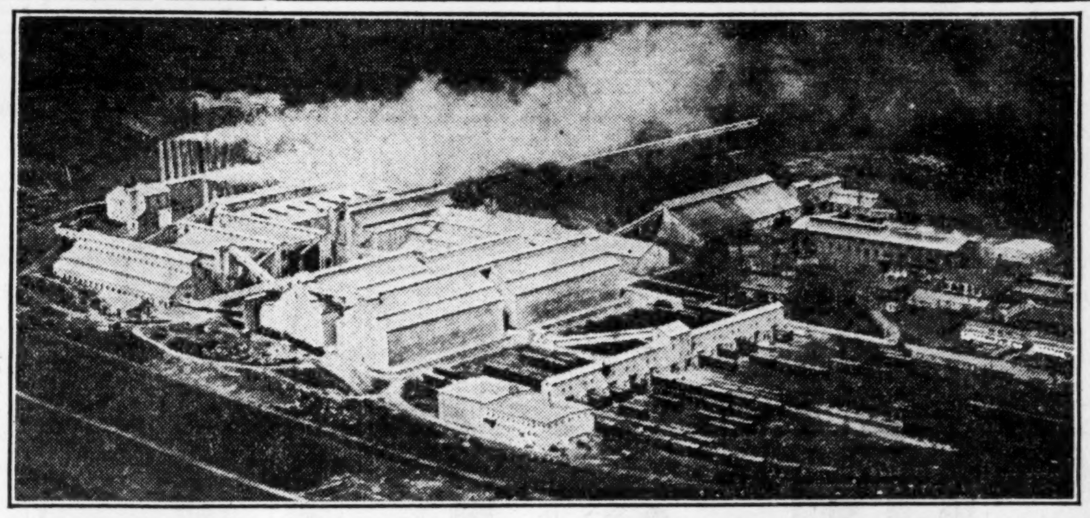
If these decreases had come in years of commercial depression in Canada they would have served as an indication of the extent of the industrial inactivity. But every industry—more especially the iron and steel industry — reports better business. The decrease in imports in various lines, therefore, is evidence that domestic manufacturers are obtaining a greater proportion of the domestic business than heretofore. The figures for the calendar year, when available, are likely to tell a similar story.

Benefits of prosperity are cumulative. With a greater number of domestic orders going to manufacturers in the ordinary course of events, their factory and mill costs are reduced and they are placed in better position to meet foreign competition even when, as in many instances, the protection afforded is small. The decrease in imports in certain lines, hence, is evidence of the efficiency prevailing in the Canadian iron and steel industry.

It will be noted in the table published elsewhere in this issue that the imports of coke were lower in 1928 than in the previous year. Possibly this is due to a partial recovery in the anthracite market, to the use of Alberta coal in Central Canada and to the use of other fuels than coke for domestic purposes. But it is more likely that the greater part of the decrease in imports of coke is due to the development of an industry which is related to the primary steel industry. Steel Co. of Canada at Hamilton is selling coke for domestic purposes. Algoma Steel Corp. has built a large business in domestic coke in Northwestern Ontario and elsewhere.

Outlook for the primary steel and iron producers in 1929 is perhaps better than ever before in their history. It is even better perhaps than during the war years, for, while the war demands were temporarily beneficial, the industry paid a heavy price in the aftermath of over-developed facilities, subnormal demand, and disheartening readjustment of costs in the face of partially inactive plants.

Montreal Plant of the Can. Cement Finest on Continent



Plant No. 1 of the Canada Cement Company in Montreal. The plant is producing 10,000 barrels of cement daily, with a shipping capacity of about 40,000 barrels a day.

FARM MACHINERY MADE IN DOMINION IN WORLD MARKET

Imports Grow, Yet Every Domestic Manufacturer Adds to Business

The last year undoubtedly has been the best in the history of the agricultural implement industry in Canada. It is reported that new sales on the Prairies and elsewhere reached a record figure for all of the companies and a number of companies have made greater inroads in the export field.

The figures as to exports of farm implements in 1928 show a decrease of some 12 per cent. (this refers to the fiscal year ended March 31), but this decrease in part may be due to the establishment of manufacturing branches in other countries by a company which formerly supplied these markets from the parent plants. Germany and France now are two countries where are branch factories of Canadian implement makers.

Two More Are Financed

Unprecedented business by Canadian implement makers in the last year or eighteen months is in the face of an increase in imports of implements aggregating more than 50 per cent. It is evidence that, despite virtual free trade in farm implements, there is enough business to promote the welfare of Canadian manufacturers in the face of the keenest of foreign competition.

In the course of the last year, at least two additional implement companies have become of investment interest. While these are by no means the largest in the industry, the record of their securities in the markets has been such as to indicate greater prosperity and even brighter hopes for the coming year. One other important company has been enabled to revise its capital structure so as to eliminate accumulated arrears of dividends on preferred stock. Without exception, the stocks of the leading manufacturers have advanced in market value very materially in the last year.

Construction Work Now Totals $450,000,000

All Cities Report Great Expansion in Construction for Business Purposes; Suburban Areas Being Developed

One of the dominating factors of business prosperity in Canada over the last two years, has been the unusually large volume of new building undertaken, says The Financial Post Business Year Book (1929). There is hardly a city or district in the whole country which has not reported building activity to be greater than since the post war period. Over $450 millions worth of contracts and permits were awarded during 1928, as compared with $418 in 1927, $372 in 1926 and $297 millions in 1925.

Most of the building undertaken in the year just closed was credited to the business classifications. In Montreal, Toronto, Winnipeg, Vancouver, and other cities, a considerable amount of office building was undertaken both by private and public interests. The expansion was more noted in Toronto and Montreal, where the majority of the largest companies have their head office.

Residential building also did not show any falling off during the year. The tendency of home owners to get away from centres of congestion is assuming larger proportions with the result that new districts are being opened up rapidly. This has raised a demand for attractive, low-cost detached dwellings. Further, apartment house dwellings have been increasing in number. This type of residence finds favor in the larger centres and large sums of money are being invested in this form of building.

Though the amount of building undertaken in 1927 and 1928 assumed large proportions, indications are that there will be no recession for some time. Industrial expansion of the next few years will provide a large amount of work for contractors. In addition the erection of new buildings in congested districts will tend to draw tenants away from the old ones. Many of the old ones, too obsolete to meet the new competition, will have to be torn down and replaced by modern structures.

Range of Steel and Construction Stocks

	Div. Rate	Yield Feb. 2	Range 1925 High	Low	Range 1926 High	Low	Range 1927 High	Low	Range 1928-29 High	Low	Close Feb. 2 (or last)
B.E. Steel, com	.	...	4⅜	1½	3	¼	3½	½	8½	1	5½
Do., 1st pref.	.	...	36	22	30	9	35½	10	48½	22	41
Do., 2nd pref.	.	...	14⅝	5	15	½	6½	1	14	3⅛	11½
Building, Prod, c.	$1.60	3.59	..	..	..	..	34½	23¼	47	29½	44½
Bissell, com.	.	...	..	..	..	..	..	..	45	30	40
Do., pref.	7	5.38	..	..	..	..	..	..	130	102	130
Can. Dredge, com.	$3	3.50	..	..	..	..	..	..	88½	31	85½
Do., pref.	7	3.18	..	..	..	..	..	..	225	108	220
Can. Bronze, com.	$2	2.29	..	..	..	..	69	43	94	65	87
Do., pref.	7	6.36	..	..	..	..	110½	98½	111½	105¼	110
Can. Car, com.	.	...	57⅝	30	49	33	55¼	35	174	32	173
Do., pref.	7	3.76	90¼	73	90	72¾	94½	85½	188	90	185¾
Canada Cement, com.	.	...	114	90½	128	93¾	x35¾	30	37	25	30
Do., pref.	6½	6.56	117½	107	120	112	101½	93	101¼	95	99
Can. Fairbanks, pref.	6	6.00	46	46	60	60	104	80	103	100	100
Canada Forgings "A"	37½c	...	..	..	..	..	..	..	32	20	26
Do., "B"	.	...	..	..	..	..	..	..	25	20	25
Can. Gen. Elec., com.	.	...	55	53	55½	47	69	49	215	70½	215
Do., pref.	7	5.83	60	50	69	53½	63	55	63	56	60
Canada Iron, com.	.	...	8	8	12	8	28	12	32	25	29
Do., pref.	4	...	40	32	44	39	60	42	80	60½	80
Can. Locomotive, com.	.	...	72	35	42	35	48	25	60	25	85
Do., pref.	7	8.04	90	75½	89½	73	89	70	92	75	87
Can. Paving, c.	.	...	..	..	..	..	..	..	41	33	39¾
Do., pref.	7	5.62	..	..	..	..	..	..	135	107	124½
Can. Vickers, c.	.	...	..	..	..	..	..	..	49⅛	24⅛	41
Do., pref.	7	7.65	..	..	..	..	..	..	96½	89	91½
Cockshutt Plow, c.	$1.50	3.09	..	..	..	..	..	..	50	23	48½
Conduits, com.	$2	9.09	..	..	..	..	32¼	23	24	13	22½
Do., pref.	7	6.76	..	..	..	..	102	92	103½	101	103½
Cons. Sand, c.	.	...	..	..	..	..	..	..	24	11	20½
Do., pref.	7	7.14	..	..	..	..	..	..	99	83¾	98
Dominion Bridge	$2.80	2.60	104	77	122¾	80	x76	57	110½	61½	108
Dominion Coal, pref.	.	...	50	39¾	72	40	85	67	98	75	85
Dom. Engineering	$4	3.63	..	..	..	..	60	45	115	52	110
Dominion Iron, pref.	.	...	30	20	24	5	5	1½	12	5	11
Dominion Steel, pref.	.	...	38	20½	26	10⅝	44	20	76¼	39¼	43
Dom. Foundry, c.	.	...	..	..	..	..	..	..	29	5	29
Durant Motor	40c	2.22	..	..	..	..	..	..	23	6	18
Enamel & Heat.	$2	6.06	..	..	..	..	..	..	38	30	33
East. Steel Prod., com.	.	...	..	..	..	..	25	20	53	23	48
Do., pref.	7	7.00	..	..	..	..	99	97¼	100¼	94	100
English Elec., com.	.	...	10	8	24½	15	18	11	x31½	11	31
Do., pref.	.	...	58	45	75	59½	95	72½	112	75	97
Ford Motor	15	...	512	448	622	500	475	436	695	570	635
Gen. Steel Wares, c.	.	...	..	..	..	..	..	..	42	23	37
Gotfredson	.	...	..	..	..	..	15	15	15	5	6
Hamilton Bridge, c.	.	...	..	..	..	..	..	..	73	23	73
Do., pref.	6½	6.91	..	..	..	..	..	..	94¼	88	94
Hayes Wheels, com.	.	...	..	..	..	..	34¾	26	56	21	52½
Do., pref.	7	6.79	..	..	..	..	101	91	104	90	103
Kelvinator, com.	.	...	..	..	20½	9⅞	15	4	14	5	11
Do., pref.	7	8.43	....	..	94	87	95	50	88	65	83
Lake Sup. Corp.	.	...	..	..	..	..	..	..	40	3	34
Lyall Construction	$3	4.95	29	11	46¼	20	63	25	76	50	60½
Massey-Harris, com.	.	...	..	..	73	40	43⅛	29	99½	36¾	95
Do., pref.	7	6.36	..	..	103½	93	109¾	103½	114	107	110
McKinnon Ind., com.	$2	3.15	..	..	31½	15	25½	15	78½	27¾	63½
Do., pref.	7	6.84	..	..	97½	87	98	93¼	102½	96½	102½
Mitchell, J. S., com.	.	...	..	..	..	..	41	28	73	38	65
Do., pref.	7	6.66	..	..	..	..	99½	99½	110½	99½	105
Mitchell, Robt., c.	.	...	..	..	..	..	..	..	66½	26	57½
Nat. Brick, com.	.	...	..	..	10	8	10	4	9	4	6½
Do., pref.	6	7.14	..	..	72	60	81	56	85	60	84
National Steel Car	.	...	15	5	16	5	45	18¼	142½	34½	138
N. S. Steel, pref.	.	...	32	21	25	20	..	..	30	25	25
Ontario Steel, com.	$1.60	5.33	75¼	41	78½	60	120	73	40	30	30
Do., pref.	7	6.66	102	91¼	103	98	115	100	120	105	105
Page Hersey, com.	$3	2.31	..	..	59½	43	90	55½	135	85	129½
Do., pref.	7	2.68	..	..	120	100½	180	116	261	171	261
Port Hope Sani., com.	.	...	85	53	130	74½	200	125	x65	50	60
Do., pref.	5	...	100	88	106	99	116	90	195	120	165
Pressed Metals com.	$1	4.00	45	15	40	30	64	34¼	25	17½	25
Do., pref.	7	7.00	..	..	..	..	97	85	105	95	100
Perfection Glass	.	...	..	..	..	..	8	3	8¾	1⅜	3½
Russell Motor, com.	4+1	5.88	44½	24	50	39	60	52	85	56½	85
Do., pref.	7	6.48	88	74¼	95	76	99	90⅛	108	97½	108
Steel of Canada, com.	$2.18¾	3.50	99¼	80	119¼	96⅛	222	117	x66½	53½	62
Do., pref.	$2+18¾	3.82	116	105	125	114	205	127	x65	51½	57
Sher.-Williams, com.	6	2.55	135	115	148½	125	207	142	239	159	235
Do., pref.	7	6.08	115	104¾	120½	110½	127	117	129	115	115
Sarnia Bridge "A"	$2	6.15	..	..	..	..	..	..	32½	29	32½
Do. "B"	.	...	..	..	..	..	..	..	32¾	18	28½
Service Stn. Equip.	$1.60+40c	2.56	..	..	..	..	38	31	79⅛	33	78
Do., pref.	6	3.94	..	..	..	..	..	..	160	109	152
Standard Clay	.	...	..	..	..	..	40	38	34½	33	33
Stand. Paving	$1.50+50	4.87	..	..	..	..	..	..	45½	23	41
Waterloo Mfg.	$1	2.85	..	..	..	..	..	..	39	16	35

xNew stock.

MANY ORDERS ARE PLACED BY RAILWAYS

Equipment Companies to Benefit Largely by New Business

STOCKS ARE ACTIVE

Large Companies' Policy is to Diversify Output and Seek New Outlets for Products

The railway equipment business in the past has, generally speaking, been a feast or famine affair, and the current year, with its wealth of orders for additional railroad equipment, is no exception to the general rule. Both Canadian Car & Foundry, and National Steel Car will receive orders for approximately $50,000,000 worth of business; what profits they will make depends largely on the efficiency of the plant operations and their management. These two companies, both turning out the finished car products, are by no means the sole manufacturers of all the material in the car's make up. A host of secondary iron and steel companies supply various parts to the two car companies for assembly, and these companies will all benefit from railway equipment orders.

Canadian Bronze, Robert Mitchell, Canada Iron, Canada Foundries & Forgings,—in fact all companies which manufacture products pertaining to railway equipment or rolling stock, are starting the current year with a vastly improved outlook.

Just how long this activity in the railway equipment business will continue, is difficult to forecast. In former years, earnings of the companies have tended to fluctuate largely, with periods of great activity followed by lean times. However, the larger concerns have been forced to seek other outlets for their products than to the railway companies, and with a wider diversification of products, earnings tend to become more stabilized.

Diversification of Products

National Steel Car has built up an excellent business in automobile parts which is a substantial source of revenue; Canadian Car and Canadian Bronze have both established a wider distribution for their outputs. However, activity in the railroad equipment business itself, has every appearance of continuing for some time at least. The recent decision of the American Railway Association must have a bearing on the equipment business during the next three or four years. The decision, in effect, states that no car of wooden construction, will be accepted in transfer on U. S. lines after January, 1931. The decision further calls for the practical abolition of all wooden cars on U. S. lines after 1934. A proportion of the new business brought by this decision will go to the Canadian equipment companies. In the meantime, the market seems to have discounted, only to a degree, the earning possibilities of the equipment companies. While Canadian Car and National Steel Car will undoubtedly show an excellent record of earnings at the end of this year—both firms are credited with earnings of $15 or more a share at the present time—it is certain that a substantial portion of earnings will be ploughed back into the properties to make provision for any lean years in the future.

Earnings of the equipment companies and affiliated companies are dependent as a whole on general industrial expansion in Canada. Though their earnings are becoming stabilized, they will, of necessity, fluctuate considerably according to the requirements of the railroad companies. The investor who purchases shares in these companies must be prepared to withstand a period of ups and downs in this stock. Over a long pull, the investor in the equipment and affiliated companies' stocks should continue to share in the prosperity and progress of Canada. While the car companies have widened their production materially in the recent lean years, yet, in the last analysis, they depend almost solely on the railways for really major profits.

Parts Makers Are Prosperous

While the latter half of 1927 was not a particularly good one for the manufacturers of automobile parts—owing to the inactivity in the industry while Henry Ford was getting his new model ready—the year 1928 was one of the best in the history of the manufacturer of parts, as well as for the automobile industry in general. The manufacturers of nuts, bolts and other manufacturers whose principal customers are the parts manufacturers, likewise improved greatly.

The position of the manufacturers supplying parts to the parts makers is not so certain because of the conflict of interest as a result of the appeal of Besco and Algoma Steel Corp. for revisions in the tariff as to steel and steel products. Attention of readers is directed to an article, written from Ottawa, which appears elsewhere in this issue which explains clearly why the nut and bolt manufacturers, and certain others do not wish the government to grant, at least in full, the requests of the primary producers. Pending the outcome of this controversy, it is difficult to say how well the small-parts makers will fare. If no changes are made, their present prosperous position will be easily maintained, it is believed.

NEWFOUNDLAND

AND LABRADOR

OFFERS

IRON - COAL - POWER

One of the World's Greatest Iron Sources

NEWFOUNDLAND holds an unchallenged place as one of the three or four greatest iron sections of the world. Both in extent and quality the Newfoundland deposits are notable, so much so that Nova Scotia, with enormous resources of her own at hand, finds it advisable and economic to bring the iron ore for her blast furnaces from the great Bell Island Mines.

Perhaps one of the largest factors in bringing about this result, and in lending an added value to these immense deposits in Conception Bay, is that they start on Bell Island and drift under the Bay. They are delivered at tidewater, loading directly from the mine to the ship.

It is roughly estimated that the Wabana deposits of Bell Island represent one of the largest individual areas in the world with an estimated reserve of over three billion tons and an average annual production of about one million tons.

These deposits are in three distinct beds, and the ore is a reddish brown hematite of fine texture. The length of the deposit is estimated at about fifteen to twenty miles with a width of eight or nine miles. There are three seams being worked at the moment, these seams running from eight to twenty-six feet in width.

The ore from these mines is finding a ready market in Canada, the United States, Great Britain and Germany.

While this is by far the largest and most highly developed field, there are a number of other important deposits awaiting development. Some eight miles inland from St. George's on the West Coast there are large deposits of titaniferous magnetite and the outcroppings alone are estimated to show 500,000 tons of ore.

Stephensville on the Newfoundland Railway has also important showings that are upward of 60 per cent. metallic iron.

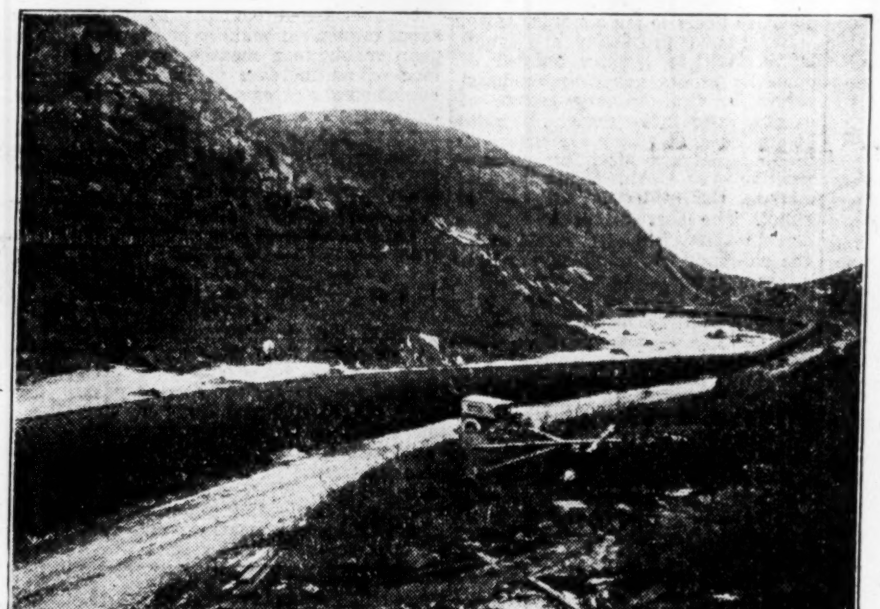
Limonite is found on the North-West Coast in the Portland Canal area.

Another important prospect is in the Notre Dame Bay section where there is an outcropping of magnetite twenty-five feet thick at the outcrop, that gives every evidence of becoming an important factor in the iron ore development of the country.

Labrador, while yet a largely unknown factor, is still known to be very rich in iron ores that are fairly generally distributed over the country, while neither the extent nor the quality of these ores have been very definitely established, this much is certain that Labrador must be a factor in the future of the Iron Industry.

Power Resources Facilitate Development

ONE of the largest factors in the development of any industry is cheap and available power, and Newfoundland is particularly favored in this regard. The natural character of the island, that provides a huge storage basin in the central region, and a rock formation that provides water falls in almost every section of the country assure a substantial amount of easily developed power, adjacent to the scene of industry. As most of the great resources of the island that have yet been discovered are at or adjacent to tidewater, and as the same condition applies very largely to the power resources, it is manifest that this is a condition very favorable to the development of industry of whatever sort.



Newfoundland Light & Power Company, which serves St. John's and district.

Mining Regulations are Generous to the Prospector

THE mining regulations of Newfoundland offer very few difficulties or restrictions in the path of the prospector. The laws are singularly generous. There is no license necessary for prospecting, and the country is open to all. The government stands ready at all times to give every possible assistance and to aid any qualified undertaking. Newfoundland is known to offer certain difficulties to the prospector, as is the case with most sections, but on the other hand it offers as well, a section where little definite prospecting has been done, save in the sections about the coast, while the formations of the Island, and the actual indications of known deposits in the island, give ample evidence of finds of unparalleled value. Buchan's Mine, section one of the premier lead zinc sections of the world, is one of the instances of discoveries away from the coast, and is perhaps an indication of what is awaiting the serious prospector.

For Further Information apply to
Department of Agriculture and Mines

Iron and Coal Offer Opportunity for the Steel Industry

UP TO the present time there has been no effort to do more than mine the minerals that are found in the Island. Newfoundland has not been, to any considerable extent, a manufacturing country. This condition is gradually changing with the steady growth of manufacturing within the country. More than that, there are many factors that tend to encourage this attitude. Newfoundland has some of the most readily mined iron ores in the world. It has cheap and available power, and cheap labor conditions. In other words, if it is an economic possibility to move Newfoundland ore to the blast furnaces of Cape Breton, it is equally economic to move Cape Breton coal to Newfoundland. The relative loadings of these two commodities would itself represent a substantial credit item on Newfoundland's side.

But while Newfoundland has done little toward the development of its coal resources, to the moment, these resources are, in themselves, by no means negligible. Indeed, Dr. Baker, the Newfoundland Government geologist, has definitely stated that the coal deposits of the St. George's section are the most notable discovery yet made in the Island. These deposits are only a few miles distant from the iron deposits of the St. George's Bay region, and if these coal resources prove as extensive and of as sound quality as is assumed, they will be a great assistance to the development of an iron industry. At the present time these resources are conservatively estimated at the substantial figure of 150,000,000 tons.

There are many other commodities that might be advantageously used in developing a steel industry within the Island. Large tonnages of lime rock, quarried at Port Au Port on the West Coast, is shipped to Cape Breton, to be used as flux in the steel furnaces of Cape Breton. This deposit is also available for any of the iron areas of the Island.

In addition the Island has rich deposits of Pyrite, Chrome ores and Molybdenite. Most of these deposits are at tidewater and are available in substantial quantities.

In considering the possibilities of such an industry the outstanding factor, apart from the supply of raw materials, is the strategic position occupied by Newfoundland in regard to the great consuming markets. Water-borne freight would land the fabricated product at the great markets of Canada and Eastern United States, by cheap water haul, while it is closer to the Old Land and Europe than any other point on the North American Continent.

Government Offices - St. John's

Newfoundland

Lake Superior Corp. Algoma Steel Corp.

Stock of Holding Company Has Made Spectacular Ascent as Outlook for Soo Enterprises Brightens —Bonds Rise Also

Shares of the Lake Superior Corp., have ascended in market value from $3 per share to about $35 per share in less than a year. This remarkable recovery of a stock which so long had been regarded as one of the most uninteresting of speculations has been due to the fact that the earnings and outlook of Algoma Steel Corp., principal subsidiary of Lake Superior Corp., have been enhanced greatly in recent months. This improved outlook for the Algoma Steel Corp., of course, is primarily the result of greater demands for steel rails and other steel products produced at Sault Ste. Marie.

There are other important factors. One has been the assumption of control of its New Jersey corporation by Canadian interests represented by Robert Dodd, who is now president of Lake Superior Corp.; Algoma Steel also always has had the advantage of keen and efficient plant management and supervision under W. C. Franz, president of Algoma Steel Corporation, and James J. Jones, general manager. Mr. Franz is a business executive of great ability, and Mr. Jones is a steel plant executive of long experience under whose direction the plant at Sault Ste. Marie, handicapped as it was by lack of capital for many years, has remained efficient and with production costs which compare favorably with the production costs of much larger plants in the United States.

Asks Tariff Revision

Algoma Steel Corp., has an application before the Dominion tariff board for re-adjustments in the tariff on certain products. When a decision in this regard has been announced by the government at Ottawa the financial interests now behind the enterprise intend to proceed with plans which modernize in a comprehensive manner the Sault Ste. Marie steel plant in order, first, to produce all products on a favorable cost basis and, second, to add to the products so that Canadian buyers of steel no longer will be forced to patronize the United States steel companies. For instance, it is planned to make structural shapes at Sault Ste. Marie up to 24 inch I-beams. This will cover the great majority of steel construction demands in Canada and should enable the Sault Ste. Marie company to secure the bulk of the steel construction business from the Quebec-Ontario boundary westward. The rail mill at Sault Ste. Marie, which was improved a little more than a year ago in order that rails in 39 foot lengths could be manufactured, will be still further improved so that rails up to 130 pounds in weight may be produced. The largest rail now used in Canada in 127 pounds.

With Canada prosperous and with the demand for steel products growing rapidly it is fair to assume that, under reasonable tariff provisions and under continuous good management, Algoma Steel Corp. earnings will increase greatly when the products of the plant have been diversified to meet the varied demands of buyers of steel in Canada.

The Sault Ste. Marie plant is on an industrial site which must be ranked as one of the finest in this country. The company is next door to the Minnesota sources of iron ore, it owns its own limestone quarry in Michigan, and it gets its coal from its own mines in West Virginia by way of Toledo. The company also owns almost limitless reserves of low grade iron ore in the Algoma district, and these potentially are valuable because the source of supply of high grade iron ore—iron ore which can go directly into the blast furnaces without prior treatment—probably will be exhausted in less than twenty years.

Ships by Water

The location of the plant, which is ideal in the matter of collection of raw materials, is also advantageous in the shipment of steel products. The Canadian Pacific Railway operates a branch into Sault Ste. Marie by way of Sudbury, and there is a direct connection with the Canadian National Railway and the National Transcontinental Railway through Algoma Central & Hudson Bay Railway. During the Great Lakes' navigation season Algoma Steel Corporation can deliver to its customers by water as far west as Fort William and east to Lake Ontario.

Public investment interest in Algoma Steel Corp. is confined to the first and refunding mortgage bonds. There are no arrears of interest on these bonds, but in recent years the price has been extremely low on the assumption that soon or late there would be a default in interest. In the last year the market value of these bonds has ascended precipitately because it begins to look at last as if Algoma Steel Corporation would be established on a firm earning basis.

Algoma Eastern Serves Sudbury

All of the preferred and common stock of Algoma Steel Corp. is owned by Lake Superior Corp. Lake Superior Corp., also is the holding company for Algoma Eastern Railway which operates between Sudbury and Little Current on Manitoulin Island. The revenues of Algoma Eastern Railway are affected by the shipments by water by the nickel companies in the Sudbury district and by the shipments of paper from the Espanola mill of the Abitibi Power and Paper Company. Thus the partial curtailment in the newsprint industry has affected Algoma Eastern Railway, but the outlook is not unfavorable in view of the great expansion of the nickel mines at Sudbury and because under normal circumstances newsprint production from the Espanola mill will be high. The International Nickel Company's refinery is at Port Colborne, Ont., so that the nickel company during the navigation season is likely to make increasing use of the water connection between Little Current and Port Colborne.

Will be Re-organized

Algoma Central & Hudson Bay Railway also is a subsidiary of Lake Superior Corp., but the Algoma Central has been operated by a committee representing English bondholders since 1914. The railroad and terminals have been kept in good physical condition throughout the bondholders' regime. The accumulated deficit of the railroad is substantial and at some time there may be a dispute as to the validity of the guarantee of the principal and interest on the bonds by Lake Superior Corporation. However, it is probable that if and when Algoma Steel Corporation becomes prosperous the Algoma Central Railway will become prosperous also. Algoma Central has a great potential asset in some 1,750,000 acres of land. The district is geologically promising from a mineral point of view and the royalties from even one producing mine, plus the traffic created by that mine, would be of great benefit to the railway.

It was the announced intention of the new interest controlling Lake Superior Corporation to re-organize that company, and it is probable that a Canadian charter will be obtained. It is likely, however, that the re-organization will not be completed until the government has made a definite decision regarding the steel tariff.

Lake Superior Corporation

Capitalization—

	Authorized	Outstanding
Common .... Par $100.	$40,000,000	$40,000,000

Funded Debt—

Bonds 5 per cent.	10,000,000	5,278,000
First mortgage due June, 1944. Collateral Trust.		
Income bonds. Interest not to exceed 5 per cent.	2,500,000	2,215,850

Due Oct., 1929, non-cumulative, 5 per cent. paid 1913-17-18-19-20. None since Oct., 1920.

Contingent Liabilities in Respect of the Guarantees of Bonds of the following companies:

Algoma Cent. & H. B. Ry.
Algoma Central Terminals.
Algoma Eastern Railway.
Algoma Steel Corp., Ltd.

Officers and Directors—

Officers—Robt. Dodd, chairman and pres.; W. C. Franz, vice-pres.; Alex. Taylor, vice-pres. and sec.; J. W. Gemmell, vice-pres. and treas.

Directors—Robt. Dodd, Alex. Taylor, L. E. Schlemm, R. Home Smith, G. F. Craig, J. D. Jones, W. C. Franz, J. W. Gemmell, F. B. Dodd, H. C. Coleman, N. J. Greene, C. C. Kerr.

Income and Surplus Account, Years Ending June 30

	1928 $	1927 $	1926 $
Gr. income	344,647	306,931	318,627
Less op. exp.	75,716	55,752	62,360
Net earnings	268,931	251,179	256,267
Less: Bond int.	263,900	263,900	263,900
Bad debts	......	192,500	......
Net income	5,031	*205,221	*7,633
Add prev. surp.	953,169	959,973	967,606
Trans. to surp.	......	198,417	......
Amt. wr. off	†8,209,632	......	......
Bal. car. for.	*7,251,433	953,169	959,973

*Debit.
†Adjusted to show ascertained losses in investments not represented by assets.

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	$393,891	......	$948,081
1923	340,306	......	955,159
1924	327,711	......	951,438
1925	365,128	......	967,606
1926	318,627	......	959,978
1927	306,931	......	953,169
1928	344,647	......	*7,251,433

*Debit.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	3¼	1⅛	19½	7⅜	28½	16

*To Jan. 22.

Algoma Steel Corporation

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$15,000,000
Preferred	15,000,000	10,000,000

7 per cent. cumulative. Par $100. All the share capital is held by the Lake Superior Corporation.

Funded Debt—

Purchase money bonds, 5 per cent., due 1944; limited to $5,800,000, outstanding $5,800,000. First and refunding mortgage 5 per cent. bonds due 1962, outstanding $15,353,233.

Dividend Record—

Dividends on preferred regularly paid up to June, 1913, none thereafter until 1918, when 7 per cent. was paid on account of arrears. In 1919 an additional 10 per cent. was paid on arrears. None since.

Officers and Directors—

W. C. Franz, pres.; J. D. Jones, vice-pres. and gen. mgr.; J. W. Gemmell, vice-pres. in charge of finance; E. W. Shell, treas.; E. Carey, compt.; Alex. Taylor, sec.; R. Home Smith, H. Coleman, N. J. Greene, Robt. Dodd, R. E. Schelmn.

Income and Surplus Account, Years Ending June 30

	1928 $	1927 $	1926 $
Net earnings	1,854,084	706,886	415,765
And other inc.	6,258	125,477	14,879
Total	1,860,342	832,363	430,644
Depreciation	670,000	......	......
Loss on invest. S. S. M. Trac.	42,615	......	......
Net earnings	1,147,727	832,363	430,644
Less: interest	84,962	23,045	7,008
Bond interest	1,059,209	1,060,567	1,062,396
Def. for year	*3,556	251,249	638,760
Prev. deficit	2,742,712	2,491,463	1,852,703
Def. car. for.	2,739,156	2,742,712	2,491,463

*Surplus.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$5,35,032	$1,050,000	$1,433,876
1920	3,147,694	175,000	2,793,444
1921	1,065,906	......	660,083
1922	330,088	......	*171,813
1923	355,093	......	*755,333
1924	1,042,109	......	*799,287
1925	*323	......	*1,852,703
1926	415,764	......	*2,491,463
1927	706,886	......	*2,742,711
1928	1,854,084	......	*2,739,156

*Deficit.

Dom. Alloy Steel

Heavily Capitalized Company Operates Galvanizing Plant at Sarnia

Dominion Alloy Steel was one of those companies which was heavily over-capitalized a few years ago. The original plan was to construct a basic steel industry at Goderich, Ont. After considerable stock was sold in western Ontario and in the State of Michigan, the plans were changed and it was announced that the plant would be built at Sarnia. The company has a large site at Sarnia and is operating a galvanizing plant which, it is understood, is doing a considerable volume of business.

While this possibly is satisfactory so far as it goes, the company is far from being the big steel industry which was originally the design. In the meantime, the arrears of dividend on the preferred stock are accumulating, and it would seem highly improbable that the company ever would be able to earn these arrears on the present scale operations. In the circumstances the investment does not look at all promising.

Capitalization—

	Authorized	Outstanding
Common	$7,500,000	$5,000,000
Pref. 8% .... Par $10.	7,500,000	900,000

Funded Debt—

None.

Officers and Directors—

William B. Boyd, pres., Toronto; C. Harold Wills, Marysville, Mich.; R. V. Le Sueur, W. H. Kenny, Sarnia, Ont.; C. A. Orr, Cleveland, Ohio.

Can. Gen. Electric

Control Rests in U. S.—Preferred is Conservative Investment

One of the outstanding Canadian industrial companies is Canadian General Electric Co., which owns and operates four plants in Toronto, two in Peterborough, one in Montreal, and which has sales offices and warehouses in eighteen cities throughout Canada. Public investment interest in this company is confined principally to the $50 par value preferred stock, as 90 per cent. of the common stock is owned by General Electric Co., of Schenectady, N. Y., and individuals closely associated with that company.

Earnings were as low as $532,791 in 1922, but improvement has been very rapid since then until in 1927 net earnings were $2,903,053 or about four-and a half times the preferred dividend requirements before depreciation. In 1927 the depreciation was $800,000 and there was an additional amount of $1,352,000 written on plant valuation. This is an indication of the conservative accounting principles which prevail.

Canadian General Electric preferred may be considered one of the sound preferred stock available for Canadian investment.

Capitalization—

	Authorized	Outstanding
Common	$18,000,000	$9,442,250
Preferred .... Par $50.	....	8,557,750

On Feb. 15, 1924, shares of common stock of $100 par value were converted into two shares of $50 par value.

Funded Debt—

None.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Net earnings	2,903,053	1,870,618	1,617,093
Less:			
Depreciation	800,000	700,000	600,000
Interest, etc.	......	......	83,341
Pre. on debs.	......	......	375,000
Adjust. plant value	1,352,888	497,139	......
	2,152,888	1,197,139	1,058,341
Total	750,165	673,479	558,752
Less appropriations: Pref. div. ..	599,043	599,042	553,542
Surp. for year	151,122	74,437	5,210
Add pr. surp.	2,823,752	2,749,815	2,744,105
Bal. car. for.	2,974,874	2,823,752	2,749,315

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$2,013,996	$780,000	$5,122,776
1919	1,617,989	780,000	5,436,098
1920	2,213,731	1,014,114	5,778,672
1921	1,707,339	927,038	7,557,726
1922	532,791	841,879	6,820,411
1923	1,482,234	822,985	6,629,768
1924	1,593,631	512,226	2,744,105
1925	1,617,093	553,542	2,749,315
1926	1,870,618	599,042	2,823,752
1927	2,903,053	599,043	2,974,874

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	69	49	140	70½	160	135
Pref.	63	55	63	56	61	57

* To Jan. 22.

Officers and Directors—

A. E. Dyment, chairman of board; D. C. Durland, pres.; S. Haas, vice-pres.; J. J. Ashworth, gen. mgr.; G. W. Beardmore, H. C. Cox, J. C. Smith, Sir Herbert Holt, W. L. Matthews, W. G. and Hon. W. D. Ross, E. G. Patterson, A. M. Stewart, K.C., J. H. Black, J. A. Bremner, asst. gen. mgr.; W. H. Nesbitt, sec.; E. I. Jenking, treas.

Dividend Record—

Dividends on preferred formerly outstanding were regularly paid. Initial dividend of ⅞ per cent. on new preferred paid March, 1924; regular payments since quarterly, Jan., April, July and Oct. 1. Common reduced from 8 to 6 per cent. for quarter ended June, 1922, and paid to quarter ended Dec., 1923; ¾ per cent. paid Feb., 1924, and ¾ per cent. April, 1924; none since. Bonus 2 per cent. paid April, 1920; stock bonus of 20 per cent. paid Aug., 1921.

DOMINION-WIDE SERVICE

For Business Buildings and Contractors

Office and Factory Partitions, Shelving, Lavatory Partitions, Lockers, Passenger and Freight Elevator Doors, Kalamein Doors, Hollow Metal Doors, Terne-Clad Doors and Hardware, Rolling Steel Doors, Hollow Metal Windows and Borrowed Lights, Steel Sash, Wired Glass, Cornices, Skylights, Ventilators, Ventilating Systems, Floor Pans, Range Boilers, Shingles, Siding, Ceiling, Corrugated Iron, Concrete Chutes, Coal Chutes, Smoke Stacks, Celotex Building and Acousti Board, Waterproofing, Roofing of every description.

FOR THE MINING INDUSTRY

Steel Sheets for Ventilating, Lining for Mine Shafts, Tunnels, etc.; Celotex Insulation for Mine Buildings; Culverts for Drainage; Steel Roof Decks, Corrugated Iron and Siding, and Roofings for Buildings.

Oil Equipment

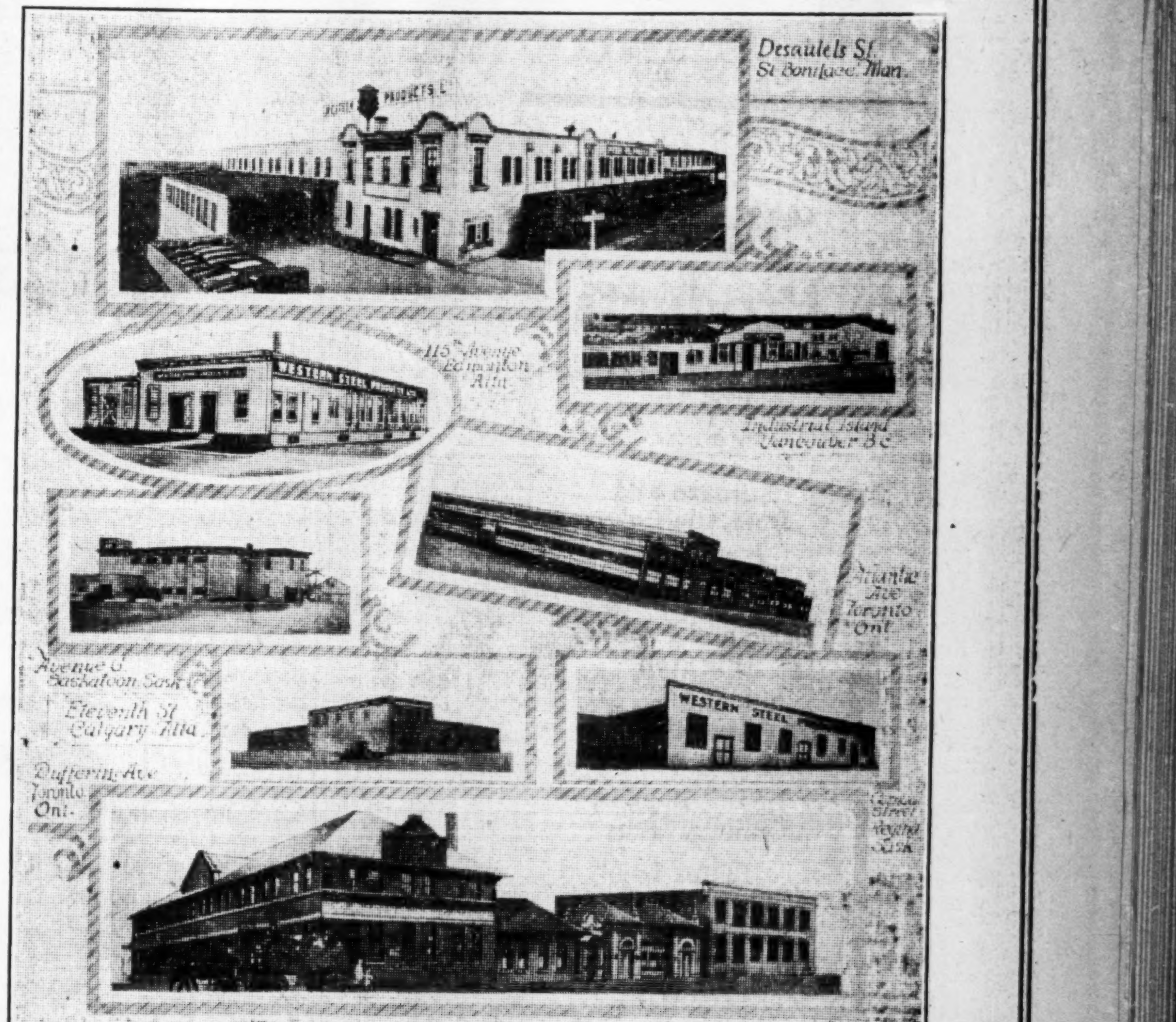
Gasoline and Oil Barrels, Tanks in capacities from 100 gallons to 20,000 gallons.

For the Farmer

Barns and Implement Sheds, Corrugated Iron, Ceiling, Siding, House Tanks, Hog Troughs, Feed Cookers, Snow Melters, Water Wagon Tanks, Tank Heaters, Cisterns, Granaries, Oil Tanks, Culverts, Well Curbing, Roofing, etc., etc.

For Governments and Municipalities

Culverts and Road Signs.



IN THE WEST **WESTERN STEEL PRODUCTS LIMITED**
WINNIPEG CALGARY EDMONTON REGINA SASKATOON VANCOUVER

IN THE EAST **The Metallic Roofing Co. of Canada Limited**
TORONTO

Dom. Trap Rock

Dominion Trap Rock Company owns and mines a trap rock quarry on the north shore of Lake Huron near Sault Ste. Marie. Trap rock is largely used in road construction. Other deposits which can be shipped economically by water are limited. The company is reported to have large contracts on hand. Trap rock enters the United States free of duty.

The company became of public investment interest in 1928 with an issue of 20,000 shares of class "A" stock of $25 par value. The "A" stock is entitled to $3 in annual dividends before dividends are paid on the "B" shares. After the "B" stock receives $3 per year, both classes of stock participate equally in future investments.

Capitalization—

	Authorized	Outstanding
Common, class "A" Par value $25.	20,000	20,000
Class "B" No par value.	50,000	30,000

Gurney Foundry

Gurney Foundry Co., Ltd., is the oldest and largest Canadian company manufacturing heating boilers, radiators, stoves, hotel kitchen equipment, enamel specialties and so forth. The company at present operates two plants, at Montreal and West Toronto. It is understood that the business is progressing satisfactorily and consistently with the activity in the building industry in Canada.

Investment interest in this company is limited to a 6½ per cent. first mortgage bond issue of which about $1,000,000 is at present outstanding.

Capitalization—

	Authorized	Outstand.
Capital .... Stock is closely held.	$2,000,000	$849,600

Funded Debt—

First mortgage serial bonds.

Officers—

E. Holt Gurney, pres.; W. R. Gibson, vice-pres. and gen. man.; R. Oaten, sec.-treas.

Directors—

E. Holt Gurney, W. R. Gibson, R. Oaten, E. B. Ryckman, K.C.; A. E. Sweeting, G. B. Beatty, Toronto; C. L. Lightfoot, T. G. Brown, Montreal.

Canadian Car

Large Orders for Equipment from Railroads Will Swell Earnings for Current Fiscal Year

The large volume of equipment orders which has been placed by the Canadian National and Canadian Pacific railways in the last three months, has improved the outlook for Canadian Car & Foundry Co. materially. Equipment orders for the first three months of the company's fiscal year totalled $22,250,000, as compared with $2,816,000 in the same period in 1927. With nine months of the fiscal year still to go, it is thought that the total business of the company will approximate $30,000,000 for the twelve months ending September 30, 1929.

Canadian Car & Foundry enters 1929 with the best outlook it has had in years. A recent decision of the American Railway Association will have a bearing on future orders. This association has stated that no cars of all wood construction will be accepted in transfer on U. S. roads after January 1, 1931. Moreover, the decision of the association calls for the practical abolition of the use of all wood cars on the U. S. railroads by January 1, 1934. An estimate has been made that some 300,000 wooden cars will have to be discarded in the U. S. in the next two years, and one million cars in the next four years. As Canadian railroads have important exchange arrangements with U. S. railroads, the situation augurs well for the car equipment business in Canada.

May Get War Claims

In addition, it has also been announced that a favorable award can be expected from the company's German war claims, within the next few months.

These favorable factors in the outlook for Canadian Car & Foundry have been discounted to some extent by the action of its common shares. These have shown a steady appreciation, and recently touched a new high mark of 146.

There is another factor which strengthens the financial position of Canadian Car. From now on, the company's income will be free from the heavy annual provision required for the retirement of the 6 per cent. negotiable scrip which was issued in 1920. This necessitated the setting aside of $243,750 annually. The retirement of this scrip, which totalled in all, $1,706,250 will materially reduce future calls on the resources of the company.

Moreover, practically 50 per cent. of the total bond issues outstanding has been called, and funded debt now stands at $4,764,600.

Diversifies Output

Though earnings of the Canadian Car & Foundry Co. depend chiefly on the demand for rolling stock in Canada, the company is steadily diversifying its sources of business. Thus, in years of lean railroad orders, the company will be able to maintain a steadier level of earnings than if it were dependent on orders from the railroads alone.

An interesting point about the preferred shares of Canadian Car is that they are non-callable and participating with the common stock in any dividend disbursement over $7 made on the common shares.

Though Canadian Car & Foundry showed a decline in net profits for the fiscal year ended September 30, 1928, there is little doubt that the company will show a vastly improved balance sheet at the same period in 1929.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$4,975,000
Preferred .... Par $100.	7,500,000	7,500,000

Funded Debt—

Bonds—first mortgage 6 per cent., due Dec. 1, 1939, $3,160,990, 1st mortgage 6 per cent. bonds due 1936, of Canadian Steel Foundries Co., $1,142,109; 1st mortgage, 6 per cent., due 1940, of Montreal Steel works, $461,500.

Dividend Record—

Preferred 7 per cent., payable quarterly, Jan., Apr., July and Oct. 10.

Common, 2 per cent., paid Dec., 1910; 4 per cent. Dec., 1911; 2 per cent. June and Dec., 1912; June and Dec., 1913; June, 1914; none since.

Officers and Directors—

Hon. Nathaniel Curry, chairman; W. W. Butler, pres.; W. F. Angus, vice-pres.; H. W. Beauclerk, V. M. Drury, Hon. C. P. Beaubien, Wm. McMaster, F. W. Clergue, Hon. E. C. Smith, Mark Workman, Hon. L. C. Webster, W. S. Atwood, vice-pres.; J. B. Brodie, treas.; A. D. Neale, vice-pres.; A. C. Bourne, sec; L. A. Peto, vice-pres. and compt.

Income and Surplus Account, Years Ending September 30

	1928 $	1927 $	1926 $
Net earnings	1,215,995	1,332,887	714,825
Inv. income	29,620	93,009	132,089
Total	1,245,615	1,425,896	846,914
Less:			
Int. charges	305,287	355,440	385,054
Depreciation	402,000	402,000	402,000
Tax prov.	......	50,000	......
	707,287	807,440	787,054
Net profits	538,328	618,456	59,860
Less approp.— Pref divs.	525,000	525,000	525,000
Surp. for year	13,328	93,456	*465,140
Add pr. surp.	2,283,664	2,190,209	2,655,349
Bal. car. for.	2,296,992	2,283,665	2,190,209

* Debit.

Twelve Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$2,572,883	......	$2,840,063
1918	4,617,390	$ 262,500	5,830,172
1919	2,993,471	656,250	7,061,557
1920	1,515,712	656,250	6,243,603
1921	1,188,853	2,100,000	3,251,207
1922	209,266	......	2,664,574
1923	2,430,188	525,000	3,567,147
1924	1,928,312	787,500	3,903,869
1925	256,388	918,750	2,655,349
1926	714,825	525,000	2,190,209
1927	1,332,887	525,000	2,283,665
1928	1,215,995	525,000	2,296,992

Market Record—

	1927 H	1927 L	1928 H	1928 L	1929 H	1929 L
Com.	55¼	35	97	32	146	95½
Pref.	94½	85½	110½	90	147	106½
Bonds	106	102½	108	106½	..	..

*To Jan. 22.

Canadian Steel Foundries

Capitalization—

	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Preferred	2,000,000	1,400,000

Funded Debt—

Bonds, 6 per cent., due 1936	5,000,000	1,219,489

Montreal Steel

Capitalization—

	Authorized	Outstanding
Common	$ 950,000	$700,000
Preferred	1,050,000	800,000

7 per cent. non-cumulative. Preferred as to capital. All the stock is owned by Canadian Steel Foundries, and operations are carried on under their name.

Funded Debt—

First mortgage 6 per cent. bonds, due 1940, $471,000.

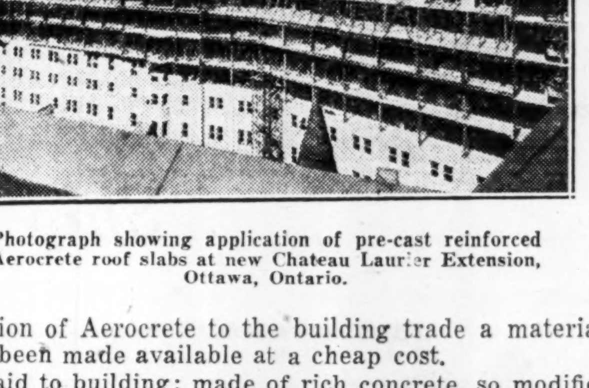
AEROCRETE

Used in All Forms

Reinforced Roof & Floor Slabs
Floor Fill, Partition Slabs and Blocks
Sound, Heat and Cold Resisting

Some Prominent Users of Aerocrete

ROYAL BANK OF CANADA, MONTREAL, QUE.
York & Sawyer, New York, Architects.
George A. Fuller Co., Ltd., Montreal, Contractors.
DOMINION TEXTILE COMPANY, MAGOG, QUE.
T. Pringle & Son, Montreal, Engineers.
Anglin-Norcross, Ltd., Montreal, Contractors.
CONFEDERATION BUILDING, MONTREAL, QUE.
Ross & MacDonald, Montreal, Architects.
James Shearer Co., Ltd., Montreal, Contractors.



Photograph showing application of pre-cast reinforced Aerocrete roof slabs at new Chateau Laurier Extension, Ottawa, Ontario.

Some Prominent Users of Aerocrete

CHATEAU LAURIER, OTTAWA, ONT.
John S. Archibald, Montreal, Architect.
Foundation Company of Canada, Montreal, Contractors.
BUILDING FOR ALUMINUM COMPANY OF CANADA, ARVIDA, QUE.
Aluminum Company of Canada, Contractors.
TERMINAL, CANADIAN NATIONAL RAILWAYS, HALIFAX, N.S.
Canadian National Railways, Montreal, Architects.
Canadian National Railways, Montreal, Contractors.

By the introduction of Aerocrete to the building trade a material of exceptional value has been made available at a cheap cost.

Aerocrete is an aid to building; made of rich concrete, so modified that it is **Light** — (one-third the weight of ordinary concrete); **Insulating**—(six times as efficient as ordinary concrete); **Sound-deadening** — (superior to any other structural material); **Weather-resisting**—(surpasses brick or concrete); **Fire-resisting** and **Permanent.**

Exhaustive tests at McGill University have produced astonishing evidence of the superiority of Aerocrete as a NON-Conductor of Sound — and that Aerocrete has the lowest Heat Conductivity of any structural material at present on the market.

Aerocrete can be used to adequately sound proof and insulate hotels, schools and hospitals in an efficient and economic manner.

Schemes and quotations will readily be submitted on application to our nearest office. The experience of our technical staff is at the disposal of prospective clients.

Information about Aerocrete, Materials for Aerocrete Manufacture, and Aerocrete Building Blocks can be obtained from the following:

The Aerocrete Corporation of America, New York, U.S.A.
Aerocrete Corporation of Canada, Ltd., Montreal, Canada
Aerocrete Montreal, Limited, Montreal, Canada
Aerocrete Vancouver, Ltd., Vancouver, Canada
Frontenac Brick, Ltd., Quebec, P.Q.

Steel

Annual Capacity 750,000 Tons of Pig Iron
A Guarantee and a Safeguard of
Canada's Prosperity!

Coal

Six Million Tons Annually—Reserves
Sufficient for Five Hundred Years!

Coke

Besco Household Coke is Just as Efficient
and Far More Economical than Anthracite

Ships

The Pride of Canada! Halifax Shipyards
Ship Building—Ship Repairing—Salvage

"Besco" Products

Iron Ore
Coal
Furnace and Domestic Coke
Coke Oven By-Products
Basic and Foundry Pig Iron
Basic Open Hearth Steel
Ingots, Blooms, Billets, Slabs
Plates for Ships, Tanks, Bridges, Boilers and Cars
Steel Rails
Rail Fastenings
Rolled Structural Shapes
Steel Mine Timbers
Bar Mill Products
Concrete Reinforcement Bars
Agricultural Shapes
Wire Rods
Miscellaneous and Special Merchant Bars
Wire
Wire Nails
Wire Products
Rivets, Bolts, Railway Spikes, Tie Rods
Machinery Steel
Cold Drawn Polished Steel Shafting
Forgings
Standard Forged and Heat Treated Axles
Crank Shafts, Connecting Rods,
Miscellaneous Heavy Forgings
Steel Ships, Ship Repairs
Freight Cars (Cargo Wagons)

Steel

Canada is rich in the basic product of industry—STEEL. British Empire Steel Corporation ranks as the largest employer of labour in the Maritimes and the third largest in Canada.

Operations are so co-ordinated that a high degree of efficiency and economy is effected, with the volume of production constantly increasing.

Coal

Nova Scotia holds wealth beyond computing—three thousand million tons of high grade COAL.

For experts' conservative estimate is that, for the next five hundred years, it will be possible to take six million tons of coal each year from the mines of this Company.

Coke

The clean high carbon coke, produced by British Empire Steel Corporation at their Sydney plant, is a Canadian fuel processed by Canadian labour for Canadian use—"BESCO" Household Coke.

Wherever anthracite coal is used for domestic purposes, "Besco" Household Coke could be used as efficiently and far more economically.

Ships

The plant of Halifax Shipyards, Limited, is one of the best on the Atlantic seaboard—a source of pride to every Nova Scotian.

The dry dock, 567 feet long and 102 feet wide, can accommodate all but such giant greyhounds as the Homeric or the Berengaria. Depth of water over blocks is 27 feet.

Here are marine architects, engineers and artisans skilled in all ship crafts. They not only know how to build ships and repair ships, but how to build and repair economically and rapidly.

BRITISH EMPIRE STEEL CORPORATION LIMITED

CANADA CEMENT BUILDING — MONTREAL, CANADA

DOMINION IRON & STEEL COMPANY, LIMITED

NOVA SCOTIA STEEL & COAL COMPANY, Limited
Commanding unlimited resources of ore, coal and other raw materials for the making of steel products of every description

HALIFAX SHIPYARDS, LIMITED
Builders and Repairers of Ships

JAMES PENDER & COMPANY, LIMITED
Iron and Steel Product

DOMINION SHIPPING COMPANY, LIMITED
"The Black Diamond" Fleet of Ore and Freight Steamships

SYDNEY AND LOUISBURG RAILWAY COMPANY

DOMINION COAL COMPANY, LIMITED

ACADIA COAL COMPANY, LIMITED
"Acadia," "Dominion," "Old Sydney" and "Springhill" Steam Coals

EASTERN CAR COMPANY, LIMITED
Makers of Freight Cars and Accessories

Steel Co. of Canada

Split in Shares, Increase in Dividends, Presage Greater Return to Holders — Millions Being Spent on Plant Without Adding to Capital Liability

Steel Co. of Canada is one of the standard Canadian investments with a record of stabilized earnings and an excellent outlook. In no year since 1922 has the company earned less than double the 7 per cent. dividend rate paid on the $100 par value common stock. The stock, which has been recently split, now is in receipt of dividends at the rate of $2 per year, or the equivalent of 8 per cent. on the old common stock. The same rate prevails on the preferred stock.

Steel Co. of Canada was organized in 1910 to take over the properties of the Hamilton Steel & Iron Co., the Montreal Rolling Mills Co., Canada Screw Co., Dominion Wire Manufacturing Co., Canada Bolt & Nut Co., and Western Wire & Nail Co. Some of these enterprises have been established for more than 60 years.

Products are Varied

The products of the combined companies include pig iron, open hearth steel, blooms, billets, wire rods, bar iron and steel shapes, forgings, steel sheets, locomotive and car axles, rail spikes, bolts, butts, rivets, horse shoes, wrought-iron pipe and fittings, wire and cut nails, tacks, wood screws and other screws of all kinds, iron, steel, brass, copper and bronze wire, and various products thereof, lead pipe and white lead. There are 12 plants in all, of which 3 are at Hamilton, 3 at Montreal, 2 at Gananoque, and 1 each at Toronto, Brantford, London, Ont., Lachine, Que., and Fort William, Ont.

In 1917 the company secured interests in 3 important ore properties located in Minnesota, thus assuring a supply of high grade iron ore so long as the Minnesota sources of supply are not exhausted. The company also owns 1,617 acres of Pennsylvania coal land. The product of the mines is suitable for the making of coke.

Management is Excellent

The board of directors of Steel Co. of Canada includes several outstanding Canadian industrial leaders. The management of the company is excellent. The accounting practices are conservative. The company's plants, located near the centres of population in Canada, have advantages over competitors in the matter of deliveries of finished products, and channels of transportation have been established which enable the company to assemble its raw materials economically for the furnace at Hamilton.

The great variety of products of Steel Co. of Canada is one of the outstanding reasons for the stabilization of earnings of the properties, but, of course, diversity of products is an important factor only after the factor of management. The company manufactures every variety of iron and steel products from pig iron to carpet tacks, with the exception only of rails and heavy structural steel.

The 6 per cent. first mortgage and collateral trust bonds of Steel Co. of Canada are first-grade industrial bond investments. Interest normally is earned about 6 times, after depreciation, and the sinking fund, which has been in operation since 1916, has reduced the original issue of $10,000,000 to $5,633,726 as at December 31, 1927. Occasionally some of these bonds are available for investment, but few holders are inclined to part with them.

Why Preferred is Below Common

The preferred stock of Steel Co. of Canada is participating with the common stock in dividends after the common stock receives $1.75 per year, which is the equivalent of 7 per cent. on the old $100 par value stock. Thus the preferred stock of the company should be an extremely high grade investment which also is bought and held because of the probability of continued appreciation.

But at this moment the preferred stock is selling somewhat below the common stock because certain holders of common stock are contending in the court that the 7 per cent. dividend on the common stock is cumulative and that the preferred stock is not entitled to participate in dividends in excess of $1.75 until such time as the common stock has received the equivalent of $1.75 per share per year from the date of the organization of the company in 1910.

The initial dividend on the common stock was in 1917, and the rate in 1918 and 1919 was 6 per cent. It is only since 1921 that the common has been in receipt of regular dividends of 7 per cent. Thus the protesting common shareholders believe that they should receive about 42 per cent., or $10.50 per share on the new stock, before the company rightfully can increase the rate on the new preferred stock beyond $1.75 per share per year The company is contesting the case, and a statement recently issued by Ross H. McMaster, president, says that the best legal advice obtainable by the company holds the opinion that the dividends on the common stock are not cumulative. But, of course. until this question finally is settled by the court there is a tendency for the preferred stock to sell at a figure somewhat below the prevailing market price for the common stock.

More Millions on Plant

The company is spending several million dollars on improvements to the blast furnace and open hearth furnaces and other parts of the plant at Hamilton. This considerable capital expenditure is being met out of reserves of the company, built out of earnings over a term of years and no additional capital from outside will be required. If the directors of the company contemplate issuing rights to shareholders they have given no hint of their intention, and the present market level of the preferred and common stock does not indicate that any rights are immediately in prospect.

Yet Steel of Canada remains one of the most attractive and sound Canadian investments because of the excellence of its management, because of the diversity of products, and because of the strategic location of the plants. The company is in position to share in large measure in the progress of the country.

Capitalization—

	Authorized	Outstanding
Common	600,000 shs.	no par value
Preferred	400,000 shs.	Par $25.

Funded Debt—

Bonds 6%	10,000,000	$5,633,726

First mortgage gold, due July, 1940.

Dividend Record—
New preferred $2 per annum, payable quarterly. First dividend payable Feb. 1, 1929, 50c. plus 18¾c.
Common $2 per annum, 50c. plus 18¾c. payable Feb. 1, 1929.

Officers and Directors—
Ross H. McMaster, pres.; Chas. S. Wilcox, chairman of board, Hamilton; H. M. Jaquays, vice-pres.; R. G. Wells, vice-pres.; H. T. Diplock, vice-pres.; A. J. Brown, K.C.,; G. H. Duggan, Hon. Smeaton White, Montreal, C. A. Birge, Hamilton; F. G. Osler, Sir Thos. White, Toronto, and H. G. Dalton, Cleveland, H. H. Champ, vice-pres. and treas.; H. S. Alexander, sec.; W. R. Cuthbert, compt.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Man. profits	3,166,280	3,247,606	2,825,607
Other income	395,514	396,685	335,057
Total	3,561,794	3,644,291	3,160,664
Less: Deprec.	816,989	760,208	682,171
In. on bonds	346,290	362,601	378,541
Net profits	2,398,515	2,521,482	2,099,952
Less Appropriations—			
Pref. div.	454,741	454,741	454,741
Com. div.	805,000	805,000	805,000
Sink. Fd. Res.	303,143	292,270	281,643
Pens. Fd. Res.	100,000	......	100,000
Emp. Benefit Fd.	....	100,000	......
Sur. for year	735,630	869,471	458,568
Add prev. sur.	10,163,055	9,293,584	8,835,016
Bal. Car. For.	10,898,685	10,163,055	9,293,584

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ...	$5,367,120	$1,144,741	$7,322,872
1919 ...	4,000,940	1,259,741	8,195,302
1920 ...	3,924,041	1,259,741	8,740,965
1921 ...	1,778,661	1,259,741	8,298,516
1922 ...	1,962,169	1,259,741	7,942,373
1923 ...	2,996,580	1,259,741	8,570,248
1924 ...	2,510,827	1,259,741	8,835,015
1925 ...	2,825,607	1,259,741	9,293,584
1926 ...	3,247,606	1,259,741	10,163,055
1927 ...	3,166,280	1,259,341	10,898,685

Market Record—

	1927 H	1927 L	1928 H	1928 L
Com.	222	117	*240	160
Pref.	205	127	220	160
Bonds	107½	106¼	108	108

	*1928 H	*1928 L	†1929 H	†1929 L
Com.	58	53½	66½	55⅛
Pref	55	52	65¼	51½

* New stock.
† To Jan. 22.

Ontario Steel

Company Benefits from Activity in Automobile Industry

Ontario Steel Products Co. has been a consistently good earner for a number of years, but there was a drop in the earnings from $224,000 to $201,000 in the fiscal year ended June 30, 1928. Obviously, this drop was due to the unsettled conditions in the automobile industry, since this company largely is a producer of springs and other parts for automobiles. Another unfavorable factor in 1928, which presumably will not recur, was that building and renovating operations during the year adversely affected the output of the company and costs of production.

The main factory of the tool company at Gananoque was entirely rebuilt and re-arranged in 1927, the building originally constructed in 1852 being replaced with a steel and concrete fireproof structure. There also was a substantial extension to the building and equipment of the Central Spring Co. at Oshawa with a view to increasing capacity and efficiency. The Central Spring Co. is a wholly owned subsidiary.

Products Are Varied

All of the extensions and renovations were carried out without any increase in capital obligations of the company, and moreover goodwill which stood at $330,000 as at June 30, 1927, was reduced to $1 in the following report.

Other subsidiaries besides the Central Spring Co. of Oshawa, are the Gananoque Spring & Axle Co., the D. F. Jones Manufacturing Co., of Gananoque, the Canadian Malleable Range Co., of Chatham, and the Dowsley Spring & Axle Co., of Chatham.

Besides springs and other parts for automobiles the company manufactures spades, shovels, mining tools, etc.

It is a well managed company, and in view of the probable stabilized condition in the automobile industry and the steady demand for spades and similar tools, it is reasonable to expect that this company will continue to be a satisfactory investment.

Eight Years' Earnings—

	Authorized	Outstanding
Common .... No par value.	80,000 shs.	45,000 shs.
Pref. 7% cum. .... Par $100.	$750,000	$360,000

Funded Debt—

Bonds 6%	600,000	350,500

First mortgage due July, 1943, sinking fund.

Dividend Record—
Preferred $7.00 per anum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 15. Common $1.60 per annum, payable quarterly, Feb. May, Aug. and Nov. 15.

Officers and Directors—
W. W. Jones, pres.; W. T. Sampson, vice-pres. and gen. mgr.; G. G. Hood, sec.; F. Petch, sec-treas.; Dr. C. H. Bird, D. F. Jones, K. Molson, F. P. Jones, H. M. Jaquays, J. T. Richardson, Dr. N. C. Jones.

Income and Surplus Account, Years Ending June 30

	1928 $	1927 $	1926 $
Gross earn.	201,092	224,144	227,619
Less:			
Depreciation ..	76,251	65,654	61,969
Bd. int. & s. f.	48,000	48,000	48.000
Net profits	76,841	110,490	117,650
Less approp.:			
Pref. divs.	44,952	52,500	52,500
Com. divs. and bonus	58,970	37,500	37,500
Surplus for year ..	*27,081	20,490	27,650
Prev. surplus	491,143	470,653	443,003
	464,062	491,143	470,653

* Deficit.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$198,770	$ 73,125	$359,374
1920	315,900	67,500	528,409
1921	223,446	112,500	564,087
1922	141,084	90,000*	413,101
1923	189,888	52,500	442,022
1924	179,838	90,000	415,516
1925	219,956	82,500	443,003
1926	227,619	82,500	470,653
1927	224,144	82,500	491,143
1928	201,092	103,922	464,062

Market Record—

	1927 H	1927 L	1928 H	1928 L	†1929 H	†1929 L
Com.	119	73	*40	30	30	30
Pref.	120	100	120	118½	105	105
Bds.	103	102	104	103⅝	104	104

* New no par value.
† To Jan. 22.

National Steel Car

Large Expansion of Company's Plants Will be Undertaken — Many Orders on Hand

Rumors which surrounded the rapid appreciation in the shares of the National Steel Car Corporation, materialized in a form distinctly favorable to shareholders. They were offered the right to purchase new stock at $75 a share, on the basis of three new shares for each ten held. These rights were worth approximately $15 a share. Part of the proceeds of this new financing will be used to redeem the balance of the bond issue outstanding, which amounts to $700,000. With the redemption of these bonds, the company will have no securities outstanding other than the common shares. Expansion planned by the company will be completed, and it is thought that the management will place the common shares on a dividend basis during the next six months.

These developments are the result of the progress which National Steel Car has made in the past year. The volume of orders for additional equipment from the railroad companies has been largely responsible for the improved financial condition of National Steel Car. With business already booked, the company will have sufficient orders on its books to keep its plant operating for the greater part of the year. A recent decision of the American Railway Association, which decreed that wooden cars would not be accepted in transfer on U. S. lines after 1931, is an indication that more orders for steel cars will be forthcoming.

Production of Auto Parts

In addition to its equipment business, the company's production of automobile parts has now reached a point where it is self supporting. Expansion of this department is contemplated, and the company recently purchased 38 acres of land in Hamilton on which a plant will be erected. Details of the plant on the new site have not been completed, but it is thought that the manufacture of automobile parts will be undertaken in the new factory.

At the present time National Steel Car has total business in excess of $20,000,000 on its books, for railway cars and miscellaneous work. About eight months ago the company initiated a large program of expansion at its plants. Buildings are being enlarged, equipment is being overhauled, and the capacity is being substantially augmented.

With the redemption of all bonds outstanding the common shareholders' equity in the property has been increased. The policy of the company has been to diversify its products. with the result that it has achieved a more stable earning power, and is not entirely dependent for revenue on the fluctuations in orders for equipment from the railroad companies. The outlook for the common stock, over a period is attractive. It is to be regarded as a speculation.

Capitalization—
Authorized and issued:
100,000 shares. No par value.

Funded Debt—

	Authorized	Outstanding
6% 1st mtge. bonds, due 1930, all held by Bk. of Commerce ..	$3,000,000	$700,000

Income and Surplus Account, Years Ending June 30

	1928	1927	1926
Net earn.	534,850	288,765	151,103
Bond int.	54,970	76,520	81,600
Res. for deprec.	211,111	215,250	55,003
Loss on trucks ..	......	......	45,479
Net profits	268,769	*3,005	*30,979
Add pr. surp. ..	2,164,732	108,155	139,134
Balance	2,433,501	105,150	108,155
†Claims writ. off	263,478	......	......
Bal. car. for. ..	2,170,023	105,150	108,155

*Loss. †French Republic and Paris, Lyons and Mediterranean Rly Co.

Officers and Directors—
Robert J. Magor, pres. and chairman; Sir John M. Gibson, K.C., R. D. Bell, W. E. Phin, Hugh N. Baird, vice-pres.; Henry H. Pierce, D. B. Dewar, C. W. Adams, sec.-treas.; A. Van. Hassel, asst. sec.-treas.; Glyn Osler, K.C.

Seven Years' Earnings—

Year	Earnings	Dividends	Cap. and Surplus
1922	x$ 79,734	......	$2,513,950
1923	142,887	......	2,395,937
1924	608,814	......	2,396,250
1925	x46,336	......	2,198,716
1926	151,102	......	2,167,737
1927	288,765	......	2,164,732
1928	534,850	......	2,170,023

xLoss.

Market Record—
(Unlisted).

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Stock	45	18¼	89½	34½	142	88

*To Jan. 22.

Western Steel Products

Earnings of Company Have Shown Remarkable Increase in Last Year

Western Steel Products, Ltd., became of public investment interest in 1928 with an offering of bonds and of preferred stock with a bonus of common stock. The company manufactures a widely diversified line of steel products for use in agriculture, road building, oil equipment, country and terminal elevator work and general construction. Its main factory is in Winnipeg, and it has branch factories in virtually all of the important cities in Western Canada. It also operates a plant in Toronto.

The company is expanding rapidly with the Canadian West especially, and the securities of the company are becoming increasingly attractive. The business was originally established in 1904, and the present management is the same as that which was responsible for its original success. Earnings for 1928 were substantially higher than for the previous year.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	100,000 shs.	100,000 shs.
Pref. 6½% cum. .. Par $100.	$1,100,000	$1,100,000

Funded Debt—
First mortgage 6 per cent. bonds, series "A," due 1948, $1,150,000.

Officer—
R. R. Symington, pres.

East. Steel Products

Sheet Metal Company Operates in Montreal, Toronto and Preston

The business of Eastern Steel Products, Ltd., was incorporated about eighteen months ago to take over and carry on the business of the Metal Shingle & Siding Co., with factories at Preston, Ont., and Montreal, and the A. B. Ormsby Co., with a factory at Toronto. The business has been in successful operation for more than 30 years, having grown from moderate beginnings to its present substantial proportions.

While the report for the year ended November 30, 1928, has not yet been made public, it is stated that the fiscal year was satisfactory from every point of view. The plant operated nearly at capacity throughout the year, and it is stated that the report will show earnings to be substantially greater than those of the constituent companies in the previous year.

Capitalization—

	Authorized	Outstanding
Common ..... No par value.	100,000 shs.	40,000 shs.
Prior pref., 7% ..	$750,000	$580,000
2nd pref. .... Par $100.	300,000	300,000

Funded Debt—
None.

Officers and Directors—
Cyrus Dolph, pres.; A. K. Cameron, vice-pres. and gen. mgr.; James Playfair, F. Ross, H. A. Greene, E. G. McMillan, sec.

INCOME AND SURPLUS ACCOUNT Years Ending Nov. 30

	1927
Gross earnings	$194,543
Less: Depreciation	27,049
	$167,494
Less: Income tax	13,500
Net profits	153,994
Less Appropriations:	
Dividend on 1st and 2nd pfd. and interest	39,911
Bal. carried forward	$114,083

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	25	20	38	23	53	36
Pref.	..	..	99½	94	100	99½

* To Jan. 22.

Serving the Structural Steel Needs of a Growing Industrial Area—

MACKINNON STEEL CORPORATION LTD., is one of the outstanding structural steel companies in the country, located strategically in the heart of the prosperous Eastern Townships Industrial area.

The business of the Company has been chiefly the fabrication and erection of steel frames for buildings, steel bridges and plate work. The MacKinnon Steel Company has successfully carried out contracts for bridge and structural steel work for the Quebec Government, Canadian National Railways, Canadian Pacific Railway, Fraser Companies, Limited, Brompton Pulp and Paper Company, Limited, Asbestos Corporation, Limited, Shawinigan Chemicals, Limited, and many others. The plant is capable of double its current output and provision has been made in the recent refinancing to handle the increased production. The fabrication of tanks and various other plate products for which there is such a large demand at the present time will be added to the Company's production.

We believe the new group which has become identified with MacKinnon Steel Corporation, Limited, will create a community of interests in this business that has not heretofore existed. This will be an important factor in the further growth of the Company and together with the large business offering, will assure the Company a market for the increased capacity which has been provided and a correspondingly substantial gain in earnings.

Board of Directors

Mr. D. H. McDOUGALL
President, McDougall Engineering Company, Limited.
Director, English Electric Company of Canada, Limited.

Mr. J. B. WOODYATT
President, Southern Canada Power Co., Limited.
Vice-President, Power Corporation of Canada, Limited.

Mr. J. T. McCALL
President, Drummond, McCall & Company, Limited.
Director, Canada Iron Foundries, Limited.

The Hon. WALTER G. MITCHELL, K.C.
Laflamme, Mitchell & Kearney.

Mr. JOHN IRWIN
President, McColl Frontenac Oil Company, Limited.
President, McArthur, Irwin, Limited.

Mr. GEORGE D. MacKINNON
President, The Rutherford Lumber Company, Limited.

Mr. J. L. McSWEENEY
President, The Equitable Securities Corporation, Limited.
Director, Consolidated Pipe Company, Limited.

The 7% Preferred Stock of this Company is convertible at the holder's option into two shares of No Par Value Common.

Current earnings are at the rate of approximately 21% on the Preferred and (after the preferred dividends) $6 a share on the Common. We recommend these securities for investment. Price on application.

The Equitable Securities Corporation, Limited
Investment Bankers

The Royal Bank Building
MONTREAL
Telephone: HArbour 9296*

Bank of Hamilton Building
TORONTO
Telephone: ADelaide 2135*

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Dominion Iron & Steel Company Limited

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Sydney, N. S.

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Specify "ALGOMA"

If you are looking for steel of sterling quality, steel that you can absolutely rely on—then *SPECIFY ALGOMA*. Algoma Steel has stood the most exacting tests that science has been able to devise. It has reached a pre-eminently high standard of excellence, directly as a result of many years metallurgical research work and experiment. It is made exclusively by the open hearth process and is made to suit your every requirement. Then, too, when you order from Algoma, you may be assured that your demands will be executed at once, no matter whether the quantity be small or of tonnage capacity. We have installed special equipment in order to ensure rapid production and prompt delivery, and we know that if your name is added to the list of leading Canadian manufacturers who use our product, you will receive the utmost in quality and service.

Not only is this true of Algoma Steel, it is equally true of Algoma's other products such as pig iron, coke, sulphate ammonia and so forth. Every product that bears our trademark carries with it the hallmark of quality. Therefore—*SPECIFY ALGOMA*.

Products

STEEL, to possess all the best physical qualities, must be properly treated. ALGOMA STEEL has reached a pre-eminently high standard of excellence directly as a result of many years of metallurgical research work and experiments. I is made exclusively by the Open Hearth process, and can be furnished in grades to meet all manufacturing requirements.

We Supply

STEEL RAILS—
All Standard Section 12 lbs. to 105 lbs. per yard.
"Head Free" Rails.
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STEEL ANGLEBARS—
100% Joints.
"Head Free" 100% Joints.
Splice Bars.

STEEL TIEPLATES—
Lundie-Sellers Anchor Bottom.
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In Mild Steel and High Carbon Grades

BLOOMS, BILLETS AND SLABS

Algoma
Open Hearth Alloy Steels

Chrome—Chrome Molybdenum
Chrome-Vanadium
Chrome-Nickel
Nickel

All of These Steels We Supply in Hot Rolled Bars or Billets

ALLOY STEEL has found a useful place in many fields—transportation equipment has especially benefited by its use.

Pleasure cars, trucks, locomotives, steamships, bridges, power generating equipment, etc.—all have taken a share of alloy steel, and have helped to demonstrate its value and economies.

Although they have 25% to 100% greater strength than carbon steel, and have greater hardness and strength per unit of cross-section, with no loss in ductility, they give, they flex, but they do not break. They resist shock.

For Strength Where the Stress Comes—
ALGOMA ALLOY STEEL

Products

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STRUCTURAL STEEL—Angles, Beams, Channels, Zee Bars.

MERCHANT BARS—Rounds, Squares, Flats.

REINFORCING BARS—Rounds, Squares, Square Twisted—in mild steel structural and hard grades.

GRINDING RODS—"Algoma" Special High Carbon gives best results. Supplied in all sizes of rounds carefully straightened.

CRUSHER BALLS—"Algoma" 5" and 6" diameter, forged and heat treated.

Prompt shipment from our extensive stocks.

PIG IRON—Foundry, Malleable and Basic Grades. All casts stocked separately, ensuring uniform analysis.

BY-PRODUCT COKE—Furnace and Domestic Grades.

SULPHATE OF AMMONIA—Guaranteed minimum ammonia contents 25.25%.

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MARK OF ALGOMA O.H. QUALITY

Toronto Sales Office
1206 Northern Ontario Building

Besco and its Subsidiaries

Activity in Stock Indication of Coming Re-organization of Complex Financial Structure — First Preferred Holds Some Promise

Public interest in the British Empire Steel Corporation has been revived lately by rumors of imminent reorganization of the big Maritime concern. That a reorganization will take place is certain; no details have been made public as to what form it will take. The fact that its subsidiary, the Dominion Iron and Steel Company is still in the hands of the receiver constitutes a stumbling block. This receivership will have to be lifted before any steps toward a capital re-organization can be taken. Besco's subsidiaries, as a whole, have experienced improved results during the past year. The production of the corporation consists of iron ore, steel and coal. While production of the Dominion Iron and Steel Corporation was higher in 1928, coal shipped from the Nova Scotia collieries showed a slight decline. Profits on coal declined materially.

Of all the securities of the corporation itself—excluding the stocks and bonds of the component companies—the first preferred shares are at the moment the only securities which seem to hold at least some promise. There is but $8,000,000 of first preferred outstanding representing the senior charge against Besco's vast holdings. The shares are some years in arrears with dividends.

The corporation has outstanding close to $50,000,000 in second preferred and $21,000,000 in common. The large number of shares of these two classes of stock indicates clearly something of the speculative features surrounding these stocks. In addition their earning power is so limited that the owners of the common and the second preference will have to have their holdings more than materially scaled down in the forthcoming reorganization of the corporation.

So many speculative features surround these two junior stocks that it is impossible to obtain any real idea of their future course marketwise.

Besco is a holding company only, controlling three subsidiaries, the Dominion Steel Corporation, the Nova Scotia Steel and Coal, and the Halifax Shipyards. Besco owns all the common stock of these properties.

The tariff situation naturally has an important bearing on conditions surrounding the operations of Besco. The application of the corporation before the tariff board is under consideration; any improvement in the present regulations touching Besco's products would tend to strengthen the company's position.

Some of the Besco subsidiaries are weighed down with heavy capitalizations. As they stand to-day some of the companies' earning potentialities fade before the large interest requirements of their funded debts. In the event of a reorganization, these loads will have to be removed to enable the companies to carry on operations on a profitable basis. New capital will have to be injected into the concern. With a complete reorganization of its whole structure, Besco will be able to take better advantage of its large assets in the Maritimes. The reorganization will permit the management to improve Besco's position materially, as on a new capitalization it will be possible to carry out much needed further financing.

Nova Scotia Steel

The common of the Nova Scotia Steel & Coal Company is entirely owned by Besco. The company in turn controls four subsidiaries. The only subsidiary in which there is any investment interest is the Eastern Car Company, which has bonds in the hands of the public. This company manufactures railway rolling stock, and has a good volume of business on hand, at the present time. During the last few years, earnings of the Nova Scotia Steel & Coal Company have not been up to interest requirements. The company owns and operates three or four collieries, but its output is no real factor in Besco's total coal production. The coal output, in addition to the output of its subsidiary, Acadia Coal Co., accounts for about 25 per cent. of Besco's total output. The company's steel plants have a wide range of steel products, and at the present time are doing a better business.

Nova Scotia Steel & Coal owns about half of Besco's iron ore deposits in Newfoundland. The company has assets of a book value far in excess of its securities outstanding. However, the earning potentialities of the company alone, will not bring cash profits to the company. In the forthcoming reorganization of Besco, the capitalization of Nova Scotia Steel may be scaled down to a form whereby the company can place its valuable assets on a profitable basis.

Dominion Steel

The Dominion Steel Corp. is a holding company controlling six subsidiaries. Of these subsidiaries, three have securities outstanding in the hands of the public. These three companies are the Dominion Iron & Steel Company, the Dominion Coal Company, and the Cumberland Railway & Coal Company. Dominion Steel Corp. owns all of the common stock of these three concerns. The six companies from which comes the entire revenue of the Dominion Steel Corp. represents about half of Besco's total investments.

There is a public investment interest in Dominion Steel Corp. through its $7,000,000 preference stock, which is largely held in England. No dividends have been paid since 1924 on these shares. The Dominion Iron and Steel Company is in the hands of the receiver, through failure to pay interest on its first mortgage bonds. Of the consolidated mortgage bonds, $4,639,000 are guaranteed by the parent company. The fact that these bonds are held by interests identical with those controlling the British Empire Steel Corporation has prevented the liquidation of the guarantor — Dominion Steel Corporation.

The company has large assets and potential earning power through its holdings in the Dominion Coal Co. and the Cumberland Railway & Coal Co. However, the possibility of profits is eliminated by the great burden incurred by the company's guarantee of the consolidated mortgage bonds of its subsidiary, Dominion Iron and Steel. This company is obviously over-capitalized, and it is doubtful if it could ever earn sufficient to meet the interest on its mortgage bond issue and at the same time plough back enough into property account to permit the plants to operate on as low cost basis as possible.

The other subsidiaries of Dominion Steel Corp. are Dominion Shipping Company, James Pender & Co. and the Sydney Lumber Co. These companies have no securities in the hands of the public.

Dominion Iron

Dominion Iron & Steel Co. has been operated in receivership since 1926 by the National Trust Co. Its bonds, including $3,500,000 income bonds held by Dominion Steel Corp. amount to some $20,000,000. This is a tremendous load for the company to carry, with its present or potential earning power. However, the ingot production of the company constituted a new high record for 1928. The total output was 397,000 tons—an increase of over 100,000 tons over 1927. Ingot production of the Dominion Iron and Steel Company is the yardstick whereby the volume of general operations in the plant are measured. The peak record in the past twelve months indicates that the plant worked at 97 per cent. of capacity in 1928.

The company owns and operates a large portion of the corporation's valuable iron ore properties in Newfoundland, in addition to the iron and steel plants at Sydney, N.S. Though the company's operations were improved in 1928, Dominion Iron & Steel will always be handicapped by its physical location. The lengthy rail haul to the steel consuming centres of Canada makes it the more difficult for the plant to operate on a competitive basis. With its tremendous funded debt, there seems to be no chance of the company bettering its financial position, unless its capital structure is reorganized.

Dominion Coal

Dominion Coal Co. is one of the few companies in the Besco group which in past years has been able to show good profits. The company has bonds and preferred stock in the hands of the public. It owns and operates sixteen mines in Cape Breton County, N.S., having a combined capacity of 3,000 tons daily. The Sydney & Louisburg Railway is a subsidiary, which operates some 123 miles of railway and sidings in Cape Breton Isand. The Dominion Coal Co. is the dominant and fundamental producer in the whole chain of Besco subsidiaries. The operations of the Dominion Iron and Steel are entirely dependent on the production of coal by the Dominion Coal Co. Again, several of Besco's other industries, such as Nova Scotia Steel & Coal, and smaller companies as James Pender & Co., are dependent for their raw material on the production of iron and steel from the plants of the Dominion Iron & Steel at Sydney. The operations at Sydney both steel and coal, are the basis of the industrial structure of the British Empire Steel Corp.

The funded debt of Dominion Coal consists of $4,576,500, first mortgage bonds held by the public and $3,500,000, income bonds, all held by Dominion Steel Corporation. Preferred stock amounts to $3,000,000, of which Besco holds $200,600; all the $15,000,000 common stock is held by the parent company, Dominion Steel Corporation. Although the company is not paying dividends on its preferred, at present prices the shares are a hold. In the event of a reorganization of Besco, it seems that those investors holding the securities of Dominion Iron Coal will fare well.

Eastern Car

Eastern Car Company, a subsidiary of Nova Scotia Steel and Coal, which is in turn controlled by the British Empire Steel Corporation, is operating its plant at capacity. The company is understood to have received orders for 1,600 cars. The value of this business is approximately $7,000,000.

It is understood that last year the total number of car orders did not exceed 200. The outlook for the company is distinctly improved, with orders in hand sufficient to enable it to operate at capacity for the next six months at least.

Eastern Car Company operates plants for the manufacture of steel railway cars at Trenton, N.S., adjoining the works of the Nova Scotia Steel and Coal Company. In addition to the main car plants, the properties include a car wheel foundry with a capacity of 200 wheels a day, a power house, dry kiln and locomotive house.

Capitalization—

	Authorized	Outstanding
1st pref. "A" 8% cum.	$60,000,000	None
1st pref. "B" 7% cum.	40,000,000	$ 8,032,100
2nd pref. 7% cum.	75,000,000	*49,958,575
Common	75,000,000	*21,305,400

*Less amounts held by subsidiaries.

Total bonds of subsidiaries held by public	86,444,563

The corporation holds direct the following amounts of preferred stock in its secondary subsidiaries:

Dominion Iron & Steel Co.	$1,663,700
Dominion Coal Co.	200,600
Eastern Car Co.	642,900

The preferred and common stocks of the primary subsidiaries which Besco holds are as follows:

Dominion Steel Corp., pref.	2,294,500
Do., common	43,000,000
Nova Scotia Steel & Coal Co. pfd.	192,000
Do., common	15,000,000
Halifax Shipyards, pref.	3,000,000
Halifax Shipyards, com.	5,000,000

Dominion Steel Corp.—
Debentures, $1,000. Held by public.
10-yr. equipment bonds, 6% .. 360,000
Preference, $7,000,000. Besco holds $2,294,500. Outstanding $4,705,500.
Common, $43,000,000. All held by Besco.

Dominion Iron and Steel Co.—
1st mortgage bonds, 5 per cent., due 1929, $5,159,000. Held by public.
Cons. mortgage bonds, 5 per cent., due 1939, $11,674,253. Held by public. ($4,639,000 guaranteed by Dom. Steel Corp.; $7,035,253 issued in sterling).
Income bonds 6 per cent., held by Dominion Steel Corp., $3,500,000.
Preferred, $5,000,000. Besco holds $1,663,700. Outstanding $3,336,300.
Common, $37,000,000. All held by Dominion Steel Corp.

Dominion Coal Co.—
Bonds, 5 per cent., due 1940, $4,576,000. Held by public.
Income bonds, 6 per cent., held by Dominion Steel Corp., $3,500,000.
Preferred, $3,000,000. Besco holds $200,600. Outstanding $2,799,400.
Common, $15,000,000. All held by Dominion Steel Corp.

Cumberland Railway & Coal Co.—
Bonds, 5 per cent., due 1940, $2,646,000. Held by public; guaranteed by Dominion Steel Corp.
Common, $2,000,000. All held by Dominion Steel Corp.

Dominion Shipping Co.—
Stock, $1,000,000. All held by Dominion Steel Corp.

James Pender & Co.—
Stock, $100,000. All held by Dominion Steel Corp.

Sydney Lumber Co.—
Stock, $150,000. All held by Dominion Steel Corp.

Nova Scotia Steel & Coal Co.—
Bonds, 5 per cent., due 1959, $5,033,065. Held by public.
Debentures, 6 per cent., $4,978,500. Held by public.
Preferred, $1,000,000. $192,000 held by Besco. Outstanding $808,000.
Common, $15,000,000. All held by Besco.

Nova Scotia Land Co.—
Stock, $11,000. All held by Nova Scotia Steel & Coal Co.

Wasis Steamship Co.—
Stock $16,000. All held by Nova Scotia Steel & Coal Co.

Eastern Car Co.—
Bonds, 6 per cent., due 1952, $790,500. Held by public.
Preferred $750,000. Besco holds $642,900. Outstanding $107,100.
Common, $800,000. All held by Nova Scotia Steel & Coal Co.

Acadia Coal Co.—
1st preference, $1,900,000. All held by Nova Scotia Steel & Coal Co.
2nd preference, $1,000,000.00. $999,300 held by Nova Scotia Steel & Coal Co.
Common, $1,846,100.00. $1,744,900 held by Nova Scotia Steel & Coal Co.

Halifax Shipyards—
Common, $5,000,000.
Preferred, $3,000,000.
All held by Besco.
Balance payable to Dom. Govt. for dry dock property in annual instalments to Dec. 1, 1936, $1,224,744.

Dividend Record—
First preference, series "B" 7 per cent. per annum, initial dividend of 1¾ per cent. paid Nov., 1921, and regularly to Feb., 1924; none thereafter. Second preference and common no dividend yet paid.

Officers and Directors—
C. B. McNaught, pres.; Sir Newton J. Moore, vice-pres., London; J. E. McLurg, vice-pres., Montreal; G. F. Downs, Senator Beaubien, C. J. Burchell, K.C., Lord Invernairn, F. W. Ross, J. P. B. Casgrain, R. F. Hoyt, C. S. Cameron, sec. and treas.; W. A. Doig, asst. sec.; L. C. Webster, G. H. Duggan, J. H. Gundy, Sir H. Holt, G. H. Montgomery, K.C., W. E. Wilder.

Income and Surplus Account, Years Ending December 31

	$ 1927	$ 1926	$ 1925
Net earn.*	5,513,761	4,424,118	†1,133,443
Less:			
Depr. & depl.	1,476,013	1,461,625	1,341,765
Bond int.	1,826,191	1,748,498	1,860,697
Bond disct.	75,826	75,526	75,526
Net profits	2,135,731	1,138,469	†4,411,431
Less approp.:			
Dividends	x330	......	......
Surp. for year	2,135,401	1,138,469	†4,411,431
Add pr. surp	†4,599,550	†5,738,019	†1,326,588
Bal. car. for.	†2,464,149	†4,599,550	†5,738,019

† Deficit.
* After deducting all manufacturing, selling and administrative expenses.
x Dividend paid to outside shareholders of Acadia Coal Co.

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1921*	$4,416,451	$977,664	$755,927
1922	2,917,275	1,844,299	1,024,198
1923	4,444,346	1,346,524	1,031,031
1924	923,775	145,033	*1,326,588
1925	1,133,443	......	*5,738,019
1926	4,424,118	......	*4,559,550
1927	5,513,761	330	*2,464,149

* Deficit.

Market Record—

B. E. Steel

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Common	3½	½	8½	1	6½	3
1st pref.	35½	10	48½	22	42	29½
2nd pref.	6½	1	11¼	3½	14	6

Dom. Iron & Steel

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Pref.	5	1½	12	5	11½	11
Bonds	94	69	102	94	..	..

Dom. Coal

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Pref.	85	67	98	75	90	85
Bonds	94¾	86	99⅝	95	98⅛	..

Dom. Steel

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Pref.*	44	20	76¼	40	45	39¼

* To Jan. 31.

MacKinnon Steel

Company is in Strong Position to Handle Proposed Bridge Work in Quebec

One of the most recent structural steel properties to be publicly financed is the MacKinnon Steel Corporation of Sherbrooke, P.Q. The company was formed in December, 1928, to acquire as a going concern, the MacKinnon Steel Company. This company and its predecessor, MacKinnon, Holmes & Company, have been in operation for the past nineteen years.

The business of the company is the fabrication and erection of steel frames for buildings, steel bridges and plate work. The plant is capable of double its current output, and provision was made in the recent financing to handle increased production.

Contracts for bridge and structural steel work for the Quebec government and companies operating in the province of Quebec, have been successfully carried out in the past. The company should benefit by the bridge construction contemplated in Quebec.

Through its directorate the company has formed associations which in future should tend to increase the volume of business which it handles. It operates under a sound management.

Capitalization—

	Authorized	Outstanding
Common No par.	40,000 shs.	12,000 shs.
Pref. 7% cum.	$1,000,000	$600,000

Funded Debt—
None.

Dividend Record—
First preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Dividends accrued from Nov. 1, 1928.

Directors—
D. H. McDougall, J. B. Woodyatt, J. T. McCall, Hon. W. G. Mitchell, K.C., J. Irwin, G. D. MacKinnon, J. L. McSweeney, H. W. Welsh, gen. mgr.

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Transportation Building, Montreal;
Dominion Express Bldg., Montreal;
Board of Trade Bldg., Montreal;
Montreal Trust Bldg., Montreal;
North Toronto Railway Station;
Excelsior Life Bldg., Toronto;
Harbor Sheds, Montreal;
Government Dry Docks, Esquimault.;
Toronto Railway Viaduct;
Montreal Island Power Development;
Canadian General Electric Factory, Toronto;
Custom House, Montreal;
Examining Warehouse, Ottawa;
C.P. Railway Freight Sheds, Toronto;
Alexandra Hotel, Winnipeg;
Ottawa College, Ottawa;
Provincial Legislative Bldgs., Regina;
Palliser Hotel, Calgary;
Union Railway Station, Ottawa;
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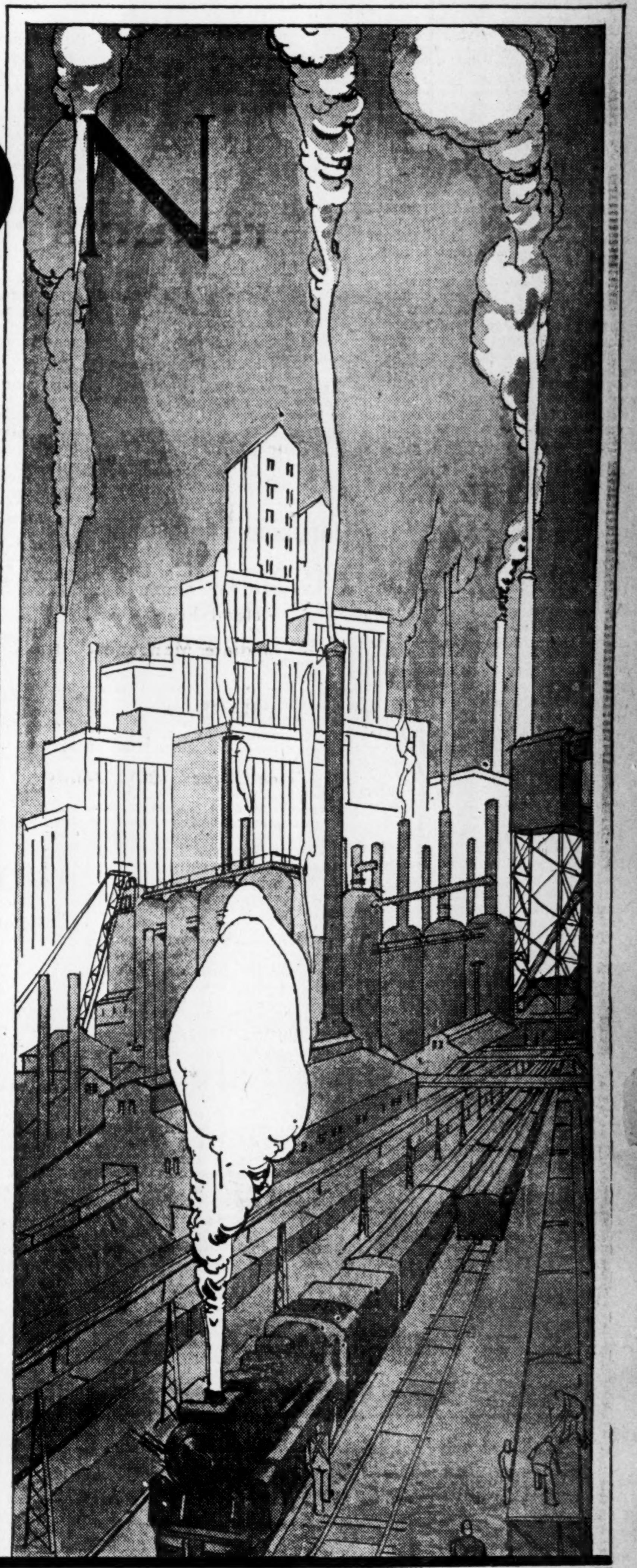

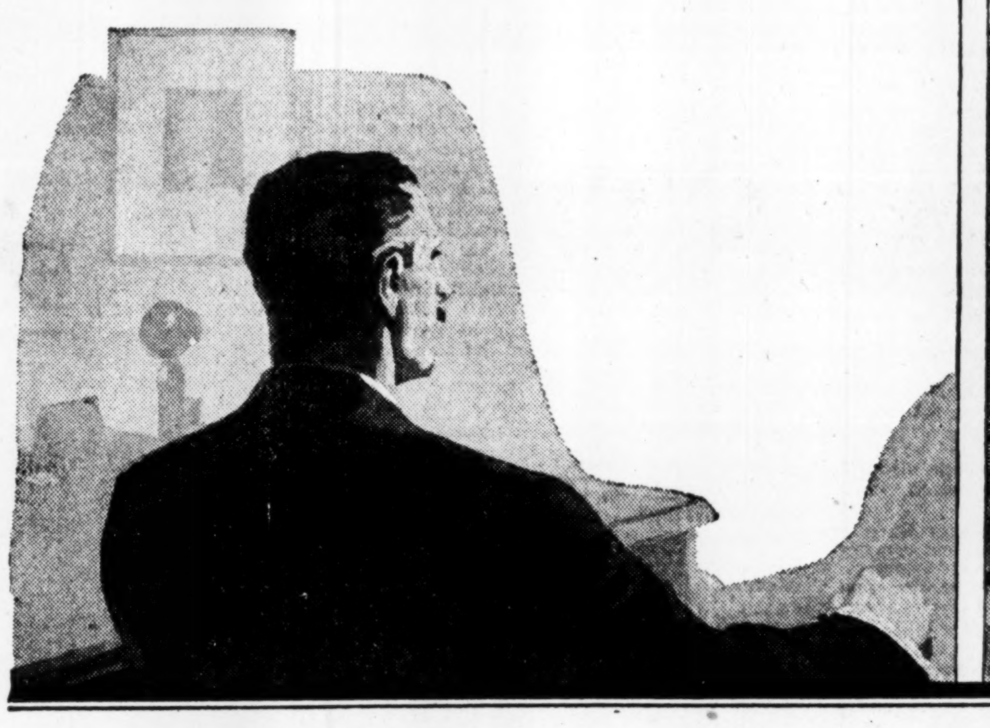

OUR vision of the building and manufacturing opportunities in Canada has made possible the high standard of quality which is so notable in Steel Company of Canada products to-day.

This vision brought about the superb manufacturing equipment, the modern production methods, and the complete control of every process from ore to finished product, all of which account, as nothing else could, for the dependable quality, service and satisfaction experienced by every customer of this Company.

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WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

Dominion Bridge

Company's Sales Increase 66 Per Cent. — Other Concerns Acquired and Additions Made to All Plants

The acquisition of the Riverside Iron Works in Calgary by Dominion Bridge Company, strengthens still further, the dominating position which Dominion Bridge holds in the structural steel industry. The purchase of the Calgary concern marks another step in what appears to be a carefully planned program of expansion and decentralization. With the bridging of the gap between Winnipeg and Vancouver, which has been accomplished by the acquisition of the Riverside Iron Works, Dominion Bridge now has a chain of plants or subsidiaries operating at strategic points from the Maritimes to Vancouver.

By acquiring the McGregor-McIntyre Steel plant in Toronto, the position of Dominion Bridge there has been materially strengthened. Dominion Engineering, subsidiary of Bridge, is also expanding. This company recently acquired the Charles Walmsley Company. This expansion gives Dominion Engineering larger plant space for the volume of orders which it has on hand at the present time. The Charles Walmsley Company is understood to be working on some valuable contracts, and the merger of the two companies should prove advantageous to Dominion Engineering in the future. Dominion Bridge owns about 60 per cent. of the stock of Engineering.

Exceptional Structural Activity

To-day Canada is experiencing a period of constructional activity hitherto unknown. How long this activity will continue is difficult to forecast. Dominion Bridge, however, is working on some contracts from which full earnings will not accrue for two years. The plants are all working at capacity, with enough business on hand to ensure a continuance of this situation for many months to come. The wide distribution of the plants and subsidiaries of Dominion Bridge enables it to bid strongly on any tenders let throughout Canada.

Many Improvements Undertaken

Many improvements have been undertaken in the company's plants throughout Canada. In Amherst, N. S., a branch office and structural plant has been established on the property of the Robb Engineering Works. Operation was only started late in the year, but the plant is so well occupied that its extension is projected. A large machine assembly shop has been built in the Lachine plant, which increases the shop space for its work about 150 per cent.. Additional land has been purchased in Ottawa, yard facilities improved, and a considerable extension of shop and fabricating equipment is projected.

In Toronto, additions to the McGregor-McIntyre plant are contemplated, which will co-ordinate the operations of the two Toronto plants. When the extensions now in progress at Toronto are completed, the capacity of the Toronto shops will be much greater than that of the two shops before amalgamation.

Rights Offered to Shareholders

Additions now authorized will occupy all of the property owned in the city of Toronto, but Dominion Bridge owns some land at Islington, where additional capacity can be installed when demand arises. To provide for necessary improvements in Winnipeg, land adjoining the present plant has been purchased which increases the area of the property about 150 per cent. The plant extensions which are at present necessary, are in progress. In Vancouver, extensions and new equipment are being added to the present plant which will largely increase its capacity.

In the past year Dominion Bridge increased its sales by 66 per cent. over the previous year, declared a bonus of 20 cents a share in addition to the regular dividend, and offered rights to shareholders to purchase new stock at $50, on the basis of one new share for ten held. The shares are the leading security of their kind in Canada. As a hold they are attractive.

Capitalization—

	Authorized	Outstanding
Common	500,000 shs.	373,125 shs.

No par value.

Funded Debt— None.

Dividend Record— Common $2.60 per annum paid in 1928, with a bonus of 20 cents per share. Dividends payable quarterly Feb., May, Aug. and Nov. 15.

Officers and Directors—
Executive Officers—G. H. Duggan, pres. and man. dir.; N. W. Warren, vice-pres. and gen. mgr.; F. W. Evens, sec.-treas; L. R. Wilson, vice-pres. in charge of operations; W. Taylor-Bailey, vice-pres. in charge of sales; F. P. Shearwood, chief engineer.
Directors—G. H. Duggan, F. W. Angus, F. L. Wanklyn, A. J. Brown, N. J. Dawes, A. A. Hodgson, Sir H. Holt, C. B. McNaught, F. W. Molson, H. Murray, C. E. Neill, J. C. Smith, H. H. Vaughan.

Income and Surplus Account, Years Ending October 31

	1928 $	1927 $	1926 $
Net earns.	1,820,824	1,106,155	572,750
Less:			
Deprec., etc.	300,000	180,000	133,680
Net profits	1,520,824	926,155	439,070
Less approp.:			
Com. divs.	970,937	**650,000	260,000
Surp. for year.	549,887	276,155	179,070
Add pr. surp.	3,246,014	†3,969,858	2,920,788
Balance	3,795,901	3,246,013	3,099,858
Reserve ded.	315,295	......	......
Bal. car. for.	3,482,606	3,246,013	3,099,858

**Including bonus at $6.
†Less bonus, 2 per cent. paid Jan., 1927.

Twelve Years' Earnings—

Year	Net profits	Dividends	Surplus
1917	$1,186,436	$747,500	$1,679,590
1918	1,865,717	520,000	3,025,307
1919	1,343,305	420,000	3,848,613
1920	964,530	520,000	4,293,144
1921	378,693	520,000	3,671,838
1922	54,661	260,000	3,466,500
1923	290,684	260,000	3,230,103
1924	263,820	260,000	3,233,923
1925	*53,136	260,000	2,920,788
1926	439,071	260,000	3,099,859
1927	926,155	650,000	3,246,013
1928	1,520,824	970,987	3,482,606

* Deficit.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	76	57	101½	61½	97	91½

*To Jan. 22.

National Bridge

Capitalization—

	Authorized	Outstanding
Stock	$50,000	$50,000

(Reduced from $1,000,000 in 1924.)
Par $100. Entire issue owned by Dominion Bridge Co.

Dividend Record— None.

Officers and Directors— J. M. McIntyre, pres.; N. J. Dawes, vice-pres.; F. W. Evens, sec. and treas.; G. H. Duggan, A. J. Brown, W. F. Angus.

Dominion Engineering

Large Volume of Orders Necessitates Expansion

Due to general industrial expansion, Dominion Engineering Works has made great strides in the past year. The company has a large volume of orders on hand, and all plant space available is being utilized to capacity. Marketwise, its shares have soared above those of its parent company, Dominion Bridge, touching a high mark of 104.

The acquisition of the Charles Walmsley was an important step in the development of the company. Plant space was becoming congested and the Walmsley Company has formed a valuable outlet for manufacturing operations. The main industry of this company like Dominion Engineering is the manufacture of newsprint machines, and other machinery requirements for the pulp and paper industry. Rhodes, Canada, is a subsidiary of the Walmsley Company which was formed to develop in Canada sheet metal working machinery under certain patents.

Subsidiary Undertaking

Dominion Engineering now stands in a strong position for supplying the requirements of the pulp and paper industry. Full benefit from this expansion should accrue during 1929. Another subsidiary, the Dominion Welding & Engineering Company, has secured a valuable contract for the welding of the Detroit-Windsor tunnel. The value of this contract has not been made public, but it is large enough to keep the company busy for a year.

Rights were offered to shareholders in January, 1928, at $50 a share on the basis of one new share for eight held. Dominion Engineering Works is controlled through stock ownership, by the Dominion Bridge Company. The company, in addition to its output sold to the pulp and paper industry is one of the predominant manufacturers of hydraulic and hydro electric machinery.

Capitalization—

	Authorized	Outstanding
Stock	124,000 shs.	111,665 shs.

No par value.

Funded Debt— None.

Dividend Record— 6 per cent. paid 1926; 6 per cent. plus 50c. 1927. On the no par value shares 65c. per share paid Apr., 75c. July and Oct., 1928, and 75c. with bonus of 50c. paid Jan., 1929. 1 per share declared payable Apr. 15, Dividends payable Jan., Apr., July and Oct. 15.

Officers and Directors— G. H. Duggan, pres.; A. J. Brown, K.C., vice-pres.; J. C. Smith, vice-pres.; F. W. Evens, sec. and treas.; H. G. Welsford, gen. mgr.; W. F. Angus, Sir. H. Holt, J. M. McIntyre, H. Murray, F. W. Molson, F. L. Wanklyn, G. Chahoon, Jr., H. B. Taylor, Hon. Smeaton White, Lt.-Col. J. Price.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Net earnings	675,063	758,646	343,502
Less:			
Depreciation	195,753	198,675	134,124
Inc. tax, etc.	....	15,001	......
	195,753	213,676	134,124
Net profits	479,310	544,970	209,378
Less approp.:			
Dividends	189,830	133,998	......
Addit. deprec.	......	48,068	17,267
Surp. for year	289,480	362,904	192,111
Add pr. surp.	612,001	249,097	56,986
Bal. car for.	901,481	612,001	249,097

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1921	$126,130	......	*$186,386
1922	36,610	......	*186,386
1923	*35,401	......	*240,667
1924†	115,344	......	56,986
1925	343,502	......	249,097
1926	758,646	133,998	612,001
1927	675,063	189,830	901,481

*Deficit. †For 7 months.

Market Record— (Unlisted).

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Stock	251	135	115	52	104¾	100

*New stock to Jan. 22.

Riverside Iron Works

Funded Debt— First mortgage 7 per cent. bonds, due 1947, $225,000.

Officers and Directors— F. L. Irving, pres. and mgr.; W. S. Henderson, vice-pres. and sec.-treas.; W. Ardern.

Sarnia Bridge

Company Has Exclusive Rights to Manufacture Massillon Bar Joists

The Sarnia Bridge Company was formed early in 1928 to acquire a company of the same name which had been in operation since 1907. Though the company is sharing to some extent in the large volume of business which is being executed by the structural steel companies in Canada, it is thought the company's plants are not operating at capacity.

The property consists of a modern structural steel plant in Sarnia, occupying an area of five acres. Annual capacity, consisting of structural steel, Massillon joists and steel ties, is 12,000 tons. The company has an exclusive license to manufacture in Canada and Newfoundland the Massillon bar joists and allied products.

The stock is listed on the Montreal Curb market, and the class "A" shares are traded in the neighborhood of 30, with few transactions recorded. The outlook for the future of the company corresponds with the outlook for the future of building and construction in Canada.

Capitalization—

	Authorized	Outstanding
Class "A"	15,000 shs.	12,000 shs.
Class "B"	*30,000 shs.	15,000 shs.

No par value. *Including 15,000 shares reserved for the conversion of Class "A" shares.

Funded Debt— None.

Dividend Record— Class "A." $2 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors— R. M. Norton, pres.; J. C. Newman, vice-pres.; W. Norris, sec.-treas.; F. M. Ross, F. J. Scupholm, gen. mgr.; F. G. Donaldson, N. L. Le Sueur, E. G. Jackson, W. P. Rapley.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Class "A"			32	30½	32	29
Class "B"			32	18	32¾	24

*To Jan. 22.

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Conduits Co.

Bonus Stock Issued in 1927 Has Been Split Five Times the Number

Conduits Co., Ltd., it is reported, has been experiencing excellent business in the four months of the current fiscal year. This company is paying dividends at the rate of $1 per year on the 60,000 shares of common stock outstanding. This is at the rate of $5 per share on the bonus common stock which was issued with the $250,000 of preferred in August, 1927. The bonus was one share of common with each two shares of preferred.

The 12,000 shares of common outstanding earlier in 1928 were split into five times the number of common shares.

The business has been in existence since 1900. Electrical conduits, elbows, couplings, etc., are manufactured in a plant in Toronto. Sales offices are maintained in other cities.

Capitalization—

	Authorized	Outstanding
Common	60,000 shs.	60,000 shs.
No par value.		
Pref. cum. 7% ...	$250,000	$250,000
Par $100.		

Funded Debt— None.

Dividend Record— Preferred, 7% per annum, payable quarterly, Jan., Apr., July and Oct. 1. Common, $2 per share per annum. First dividend of 50c paid December 15, 1928.

Officers— J. H. Hall, pres.; H. D. Hall, treas.

Earnings—

	8½ Mos. ended June 11, 1927	Year ended Sept. 30, 1926
Earnings	$49,334	$64,547
Depreciation	6,247	9,370
Prov. for income tax ...	3,328	4,307
Net profits	$39,760	$50,870

Market Record—

	1928 High	1928 Low	x1929 High	x1929 Low
Common	23½	13	24	19
Preferred	102	101	103½	103¼

xTo January 31.

English Electric Co.

Revision of Capital Structure is Great Help to Sales Department — Present Dividends Equal to 6 Per Cent. on Old Preferred Stock

English Electric Co. of Canada holds the exclusive right in Canada for the manufacture of electrical apparatus of the English Electric Co. of Great Britain. The Canadian company, therefore, is one of the three large companies in Canada manufacturing motors, generators, transformers, electric locomotive and similar goods. The company has the right to export its products to the United States and Newfoundland.

English Electric Co. of Canada was established in this country in 1921 with an issue of $2,000,000 of eight per cent. preferred stock. The company, up to the present at least, has been unable to earn the full dividend on the preferred stock, and as at December 31, 1928, the arrears would have totalled 32 per cent.

Now Get 6 Per Cent.

Because of the ever-growing burden of preferred arrears, the adverse effect on the company's business, a scheme of arrangement was proposed in the summer of 1928 which eliminated these arrears, cancelled the preferred stock, and made the sole capitalization of the company common stock of two classes. The preferred holders got two shares of class "A" stock and one-half share of class "B" stock for each share of preferred. The class "A" stock has preference as to dividends up to $3 per annum, shares with the class "B" stock up to $4 and the class "B" shareholders get all dividends in excess of $4 paid on the class "A." There was considerable opposition to this scheme of arrangement on behalf of a number of the preferred shareholders, but the plan was finally ratified by 75 per cent. of the preferred shareholders and approved by the court. In January, 1929, a first dividend of $1.50 per share was paid on the new class "A" shares. It is understood that a further dividend of 75 cents per share will be declared at the next directors' meeting for the quarter ended March 31, which will establish the class "A" dividend at the rate of $3 per year, which is the equivalent of six per cent. on the old stock.

Purchasers of electrical equipment are governed by the stability of the manufacturing company as well as by quality of the products and the price. Purchasers of equipment manufactured by English Electric Company desired to be assured that the company would continue in business in Canada and that replacement of parts and repairs could be affected without undue expense or delay. For this reason the ever-increasing arrears of dividends on the preferred stock of this company were an adverse factor from the point of view of the sales department of the company.

The re-construction of the capital probably has gone a long way toward reassuring the actual and potential customers of the company that English Electric Co. of Canada will be able to carry on since it now has achieved a position where a temporary drop in earnings does not entail accumulation of arrears. The class "A" shares, while having a preference for dividends, are non-cumulative.

The products of English Electric Company are well regarded, and the management is considered to be efficient. Taking the long view, the holders of shares in this company probably are better off now than before the capital change was effected.

Capitalization—

	Authorized	Outstanding
Com. class "A" ..	50,000 shs.	50,000 shs.
Com. class "B" ..	50,000 shs.	40,000 shs.

No par value.

Dividend Record— On class "A" $1.50 per annum, first paid Jan. 15, 1929.

Officers and Directors— R. A. Stinson, pres. and gen. mgr.; Gordon F. Perry, chairman of the board; Hon. F. H. Phippen, R. Home Smith, D. H. McDougall, T. H. Watson, Col. N. D. Perry, D.S.O.; Lord Meston, K.C.S.I.; Lt.-Col. J. H. Mansell, K.B.E., D.L.; P. J. Pybus, C.B.E.; P. A. Thomson.

Profit and Loss Account

	1927 $	1926 $	1925 $
Profits	218,577	203,156	64,004
Depreciation	40,000	40,000	40,000
Income tax	13,134	2,693	......
Pref. dividend	80,000	70,000	50,000
Surplus for year .	85,443	90,463	*25,996
Prev. surplus	384,310	293,848	319,844
P. & L. surplus ..	469,753	384,311	293,848

* Deficit.

Six Years' Earnings—

Year	Earnings	Dividends	Surplus
1922	*$ 2,452	$124,404	$229,092
1923	75,660	......	264,752
1924	95,092	......	319,844
1925	64,004	50,000	293,848
1926	203,156	70,000	384,311
1927	218,577	80,000	469,753

* After depreciation.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	18	11	31	11	21	17
Pref.	95	72½	112	75	85	85

* To Jan. 22.

General Steel Wares

First Year of Company's Operations Has Proved Very Successful — Operating Costs Reduced

The merger of the constituent companies of General Steel Wares has worked out satisfactorily. The component companies are all engaged in similar lines of activity, the most important including the manufacture of enamel, aluminum, nickel, copper and sheet metal products. The new company has effected material savings in operating costs, and it is thought that earnings for 1928 showed a substantial increase over the total earnings of the constituent companies before their consolidation.

During the past year General Steel Wares acquired the E. T. Wright Company, of Hamilton, and the E. Aubry Company, of Montreal. The output of these two companies fits in well with the general production of General Steel Wares.

Public investment interest has been slow to discount the earnings prospects of the company. However, the stock has shown some appreciation recently, and sold up to a new high mark of 40.

It is thought substantial benefits accruing from the formation of General Steel Wares will again be shown in the company's balance sheet for the fiscal year of 1928. The outlook for the shares is of the best. The company operates under an excellent management and occupies a strong liquid position.

Capitalization—

	Authorized	Outstanding
Common	200,000 shs.	200,000 shs.
No par value.		
Pref. 7% cum. ..	$10,000,000	$4,500,000
Par $100.		

Funded Debt— First Mortgage 6 per cent. Series "A," due 1952, $9,000,000.

Dividend Record— Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors— J. C. Newman, pres.; F. S. Corrigan, vice-pres.; W. S. Gibson, vice-pres.; D. W. Dickson, sec.; J. M. Campbell, treas.; W. F. Holding, Jr., compt.; G. W. Scott, F. M. Ross, H. H. Horsfall, W. S. Hodgens, A. J. Clark.

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	38¾	23	42	36
Preferred	102	101	..	..

* To Jan. 22.

Hayes Wheels & Forgings

Company Making Auto Parts Has Promising Future — Associated Rubber Company is Getting Into Production

Hayes Wheels & Forgings, Ltd., is one of the outstanding companies manufacturing wheels, rear axle assemblies, motors and a general line of automobile forgings, etc., in Canada. An associated company, the Canadian General Rubber Co., of Guelph, Ontario, manufactures virtually all kinds of rubber goods excepting auto tires and casings.

Persons who have made a study of this company from an investment point of view in recent weeks have decided that the investment is one of the most promising in the steel and construction group. The management of the company is highly efficient. The plant at Merritton, Ont., is a modern one and there is room for expansion. The associated company at Guelph, while it has not been operating for long, is understood to have obtained substantial orders which will assure a profit this year on the general operations. The company is operating at Guelph a rubber reclaiming laboratory which has made certain discoveries of possible importance in the rubber fabric field.

Makes Chrysler Axles

The parent company at Merritton last month began to produce axles for the Chrysler cars. This contract entailed certain changes in the plant and the installation of new equipment, but it is understood that the new equipment will enable the company to manufacture the product at a good profit and continuance of this business is reasonably well assured.

The present company, incorporated in 1927 is the successor of previous companies owning various businesses dating from 1916. In 1926 a plant for the manufacture of automobile motors was established at Stratford, England, but so far it is understood that this subsidiary has not been particularly profitable.

May be Wider Market

The funded debt of the company consists of $600,000 of six per cent. fifteen year first mortgage sinking fund bonds. These total less than half the book value of the fixed assets of the company, and it is known that all of the valuations in the balance sheet are on a conservative basis. The preferred stock consists of $625,000 of seven per cent. cumulative preferred.

There are only 50,000 shares of common stock of this company which somewhat narrows the market interest in the securities. But the issue has been fairly active in recent weeks, and it is believed to be the intention of its sponsors to maintain an active interest in the stock. Current earnings are believed to be in excess of six dollars per share after all charges, and it is the opinion of observers that a considerably larger profit could be shown if it were the wish of the management.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	50,000 shs.
No par value.		
Preferred 7%	$1,500,000	$625,000
Par $100.		

Funded Debt— First mortgage 6 per cent., due 1942, $600,000.

Dividend Record— Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
Officers—Hon. J. D. Chaplin, pres.; C. G. McGhie, vice-pres.; Wm. Kistler, gen mgr.; A. D. Chaplin, treas.; W. R. Peck, sec.
Directors—Hon. J. D. Chaplin, C. G. McGhie, St. Catharines, Ont.; H. W. Taylor, Wm. Kistler, W. A. Wecker, A. D. Chaplin, Chatham; F. N. Hara, St. Catharines, Ont.; H. D. Hartley, Indianapolis, Ind.; Oscar Henne, Gananoque, Ont.; D. J. McLean, Lindsay, Ont.; J. H. Ratcliffe, Toronto.

Income and Surplus Account, Year Ending Dec. 31

	1927
Net earnings	$346,923
Less:	
Depreciation	121,917
Bond interest	38,111
Net profits	$186,895

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	34½	26	49½	21	56	47¾
Pref.	101	91	102	90	102¼	101

* To Jan. 22.

P. Lyall and Sons

Company Has Larger Volume of Business on Hand Than at Any Former Period

The construction outlook in Canada has never been better that it is today, and the P. Lyall & Sons Construction Company has more business on hand that it has had at any other former period. In Colombia, South America, the company has been at work on the government railroad contract for some time, and several thousand men will be employed by the spring. Operations are being conducted in a territory at a high elevation, and climatic conditions are excellent. In Montreal, about 70 per cent. of the Back river power contract has been completed, and the work will be finished shortly. In Toronto, the company is working on the Canadian National Railway Express building, the power house of the Terminal company and also on the viaduct.

In addition to this, Lyall Construction is busy on the Welland ship canal and the steel gates contracts in the canal. A new contract for the Confederation building in Ottawa has been secured by the company.

These activities tend to brighten the outlook for the company, but the margin of profit in times past has been comparatively small, owing to the keen competition experienced in the contracting business. The stock is regarded as an interesting speculation.

On April 30, 1928, the common stock of the company was changed from 17,500 shares of par value $100, to 35,000 shares of no par value. An additional issue of 65,000 shares of common, on the basis of one new for every two held, was made to shareholders at $40 a share. A dividend of 75 cents a share was paid on September 1, 1928, which constituted the first dividend paid on the common stock since 1922.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	61,422 shs.
No par value.		
Preferred	$1,500,000	*8,593 shs.
Par $100.		

* As of Dec. 15, 1928.

Funded Debt— First mortgage, 6 per cent. bonds, due 1932, authorized $1,250,000, outstanding $378,700.

Dividend Record— Preferred 7 per cent. per annum, payable Feb. and Aug. Paid regularly since 1913. Common, $3 per share per annum, payable quarterly, Mar., June, Sept. and Dec. 1. First payment made Sept. 1, 1928.

Officers and Directors— William Lyall, pres. and man. dir.; T. O. Lyall, vice-pres.; C. R. Redfern, vice-pres. and gen. mgr.; Hugh Mackay, K.C.; H. W. Beauclerk, J. W. Pyke, Jas. Ballantyne, Robt. Whyte, sec.

Income and Surplus Account, Years Ending March 31.

	1928 $	1927 $	1926 $
Net earnings	318,292	234,428	262,292
Less:			
Bond interest ..	24,416	29,410	34,074
Bond redempt. .	84,700	80,000	73,500
Bad debts writ. off	84,907	......	......
	194,023	109,410	107,574
Net profits	124,269	125,018	154,718
Less appropriations:			
Pref. div.	91,000	91,000	91,000
Surplus for year ..	33,269	34,018	63,718
Add prev. surp. ..	513,652	479,634	415,916
Bal. carried for. ..	546,921	513,651	479,634

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918-19	$1,314,582	$231,000	$402,001
1919-20	377,734	231,000	438,071
1920-21	375,265	231,000	472,099
1921-22	240,738	213,500	389,219
1922-23	161,097	91,000	349,331
1923-24	210,698	91,000	358,569
1924-25	260,121	91,000	415,916
1925-26	262,292	91,000	479,634
1926-27	234,428	91,000	513,651
1927-28	318,292	91,000	546,921

Market Record—

	1927 H	1927 L	1928 H	1928 L	†1929 H	†1929 L
Com.	63	25	*76	50	62	55
Bonds	95¼	94	98⅝	98¾	..	..

* No par value stock.
† To Jan. 22.

Massey-Harris Company

Canadian Manufacturer of Agricultural Implements is One of World Leaders in Its Line — Markets Products in Many Countries

Massey-Harris Company is the largest Canadian manufacturer of agricultural implements. The head office and main plant are at Toronto, but other plants are operated in Brantford, Weston and Woodstock, Ont.; Batavia, N. Y.; Bonn, Germany; and Marquette, France. There are warehouses and sales agencies in virtually every important agricultural centre in the civilized world.

In 1928 Massey-Harris Company acquired the Case Plow Works at Racine, Wis. The name "Case" has been sold to the J. I. Case Threshing Machine Co., of the same city, so that Massey-Harris Company now is operating under its own name in Racine, Wis. The products of the plant are principally Wallis tractors, and these have been very favorably received by tractor buyers in all the Massey-Harris territories where tractors are used.

Factories at Capacity

Massey-Harris Company is one of the outstanding Canadian industrial enterprises, with ramifications throughout the world. Under its present management very substantial progress has been made from the point of view of profit, and prosecution of aggressive sales policies at a time when the agricultural industry throughout the world has been fairly prosperous has resulted in an enormous increase in volume of sales. The factories of Massey-Harris Company at this moment are reported to be busier than at any time in their history.

The Massey-Harris combine has met with great success in Western Canada and elsewhere, and the future business of this department is promising. The company now has the sales agency for the Sawyer-Massey threshing machines. This sales agency completes the line of implements, wagons, etc., which Massey-Harris Company market. Virtually, every other piece of equipment used on a farm is manufactured in the Massey-Harris factories. It is the intention of the company soon to introduce a smaller model of the Wallis tractor in order to fill the needs for a tractor of the Fordson type, manufacture of which has been abandoned by the Ford Motor Company. The company has an excellent technical staff.

Say Outlook Promising

The common stock of the company more than doubled in value in the fall of 1928, but those who are in position to know what is taking place in the company express the opinion firmly that the outlook from the point of view of the shareholders is no less attractive at present price than it was earlier. One of the favorable factors is that the common stock has been widely distributed in strong hands. Fairly large blocks of shares have been sold in England to individuals who regard the investment as promising for a hold of several years. Thus the floating supply of the common stock is comparatively small, and this stock eliminates some of the dangers in a speculative holding in a period of market reaction.

The company's accounting system is extremely conservative, and the earnings per share as exhibited in the profit and loss accounts may be considered by the shareholders as being after reserves have been created for all of the contingencies which possibly could be foreseen.

Capitalization—

	Authorized	Outstanding
Common	500,000 shs.	483,596 shs.
No par value.		
Preferred	$12,500,000	$12,089,900
Shares $100 each.		

Funded Debt— Sinking fund gold debenture bonds, 5 per cent., due 1947 .... $12,000,000

Dividend Record— Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 15. None paid on common.

Officers and Directors— J. N. Shenstone, pres.; T. Bradshaw, vice-pres. and gen. mgr.; C. N. Appleton, sec.; C. L. Wisner, G. Valentine, E. R. Wood, W. J. Verity, G. W. McLaughlin, C. S. Blackwell, A. S. Patterson, F. P. Jones, J. H. Gundy, T. A. Russell.

Income and Surplus Account, Years Ending November 30

	1927 $	1926 $	1925 $
Net earnings	3,866,601	3,005,220	2,346,543
Add other inc.	......	......	661,139
Total	3,866,601	3,005,220	3,007,682
Less:			
Depreciation	686,630	500,245	939,165
Interest	685,558	193,151	480,513
Taxes	151,320	200,000	150,000
Conting., etc.	......	100,000	......
Bad debt provision	165,909	......	......
Net profits	2,177,174	2,011,824	1,438,004
Less approp.:			
Pref. divs.	846,293	846,293	......
Pension fund	27,900	16,056	26,830
	874,193	862,349	26,830
Surp. for yr.	1,302,981	1,149,475	1,411,174
Add pr. surp.	†3,820,439	2,359,883	818,709
Conting. of sub. companies	......	......	130,000
Bal. car. for.	5,123,418	3,509,358	2,359,883

† Differs from 1926 total, as 1927 figures are for Massey-Harris and subsidiary companies.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1923	$1,120,937	......	$ 750,153
1924	1,065,180	......	818,710
1925	3,007,682	......	2,359,883
1926	3,005,220	846,293	3,509,358
1927	3,866,601	846,293	5,123,418

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	43⅛	29	97	36¾	95	90½
Pref.	109¾	103½	114	107	115	108½

*To Jan. 22.

Dom. Tar & Chemical

Control Bought from London —Debentures and Stock Are Issued

Dominion Tar & Chemical Company is by far the largest producer of tar in Canada, and the field for expansion is believed to be exceptionally large. One of the principal activities of this company and of its controlled and associated companies, is the creosoting of railroad ties and other woods which are exposed to the weather. There is ground for the contention that this business is in its infancy, although it already has reached substantial proportions.

Railways are not the only users of creosoted wood. The telephone companies are creosoting that portion of wooden poles which goes underground. Creosoted fence posts also are being marketed in the Western provinces. There are other uses developed, and it is believed that eventually nearly all wood coming into contact with earth will be creosoted before using. Creosoted wood blocks also are being used in increasing quantities for factories and other floors. Other products of the company include briquetting pitch, tar, etc. Plants are located conveniently to the sources of raw material.

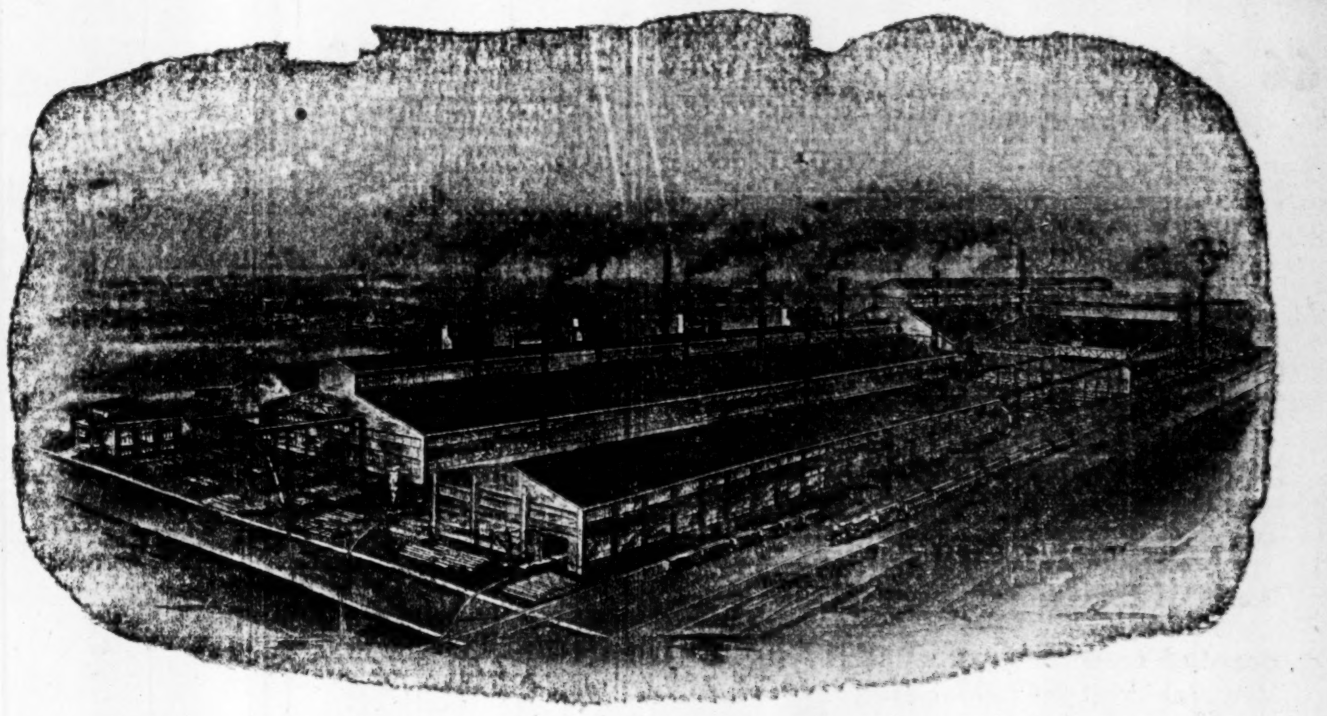
This company formerly was owned in England, but within the last few weeks their control came to Canada and there has been an issue of debentures and preferred stock. It is one of the most important pieces of corporation financing in this country so far in 1929.

Capitalization—

	Authorized	Outstanding
Preferred, 6½%	$7,500,000	$4,500,000
Par $100.		
Common	300,000 shs.	230,000 shs.
No par value.		

Funded Debt— 6% debentures series "A", due 1949, $4,000,000.

Officers— L. O. P. Walsh, pres.



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Durant of Canada

Company Makes 15,000 Cars in Plant Designed to Produce 10,000 — Future Bright if U.S. Affiliations Also Progress

Durant Motors of Canada in 1928 produced 15,000 automobiles in a plant originally designed to produce 10,000 automobiles in any one year. The company had an operating loss in 1923, 1924 and 1925. There was a profit of $234,000 in 1926, a profit of $396,000 in 1927, and it is believed that the profit for 1928 will be materially greater.

In point of number of individual shareholders Durant Motors of Canada is one of the most important industrial companies in the country. There are more than 11,000 shareholders of from five to twenty-five shares. There are 284,722 shares outstanding of $10 par value of which approximately 40 per cent. is owned by the Durant Motors of Delaware, the Durant holding company. For all practical purposes, therefore, the Canadian company is controlled by the Delaware organization since it would be utterly impracticable to procure the proxies of the majority holders in Canada.

Plant is Modern

The Durant plant at Leaside, which is a suburb of Toronto, Ont., is a thoroughly modern one, and the management has demonstrated a high degree of efficiency. The dealer organization throughout Canada is one of the largest and most loyal of any in the automobile industry, and the vehicles produced for the Canadian public have found a good market at prices which have assured a profit for the manufacturer.

At the present time the company is manuufacturing cars for export to the Argentine. This is a tentative order assigned by Durant Motors of Delaware from the plant at Flint, Mich. It is said that the Argentine business may accrue to the Canadian company permanently if it is demonstrated that the cars economically can be manufactured and shipped from the Canadian plant.

Stock Rises Quickly

One of the more important developments from the point of view of shareholders in the last year was the listing of the stock on the Toronto Stock Exchange. The rise in market value has been quite consistent since then, and the stock currently is selling at more than double its par value of $10. The present situation is gratifying to original shareholders who bought the stock at $10, $12 or $15 per share in 1922 or 1923. The stock is now on a dividend basis of 40 cents per annum, and if the affiliated and associated companies in the United States progress relatively with the Canadian company it is reasonable to expect that the investment will be increasingly satisfactory.

The balance sheet of the Canadian company reveals a strong position. The Leaside plant is valued conservatively. The company is without funded debts or without liabilities of any kind excepting current trade bills of a moderate amount. The company has a large amount of cash on hand, and unless developments are unexpectedly and suddenly unfavorable the investments should do well. The management of the Canadian company is highly efficient.

Capitalization—

	Authorized	Outstanding
Stock .... Par $10	$3,000,000	$2,847,220

Funded Debt—
None.

Dividend Record—
40 cents per annum, payable on last day of Mar., June, Sept. and Dec. Initial dividend paid Mar., 1928.

Officers and Directors—
W. C. Durant, pres.; R. E. Briggs, vice-pres.; W. Zwiener, vice- pres. and treas.; R. D. Kerby, gen. mgr.; P. J. Duggan, Sales mgr.; F. B. Averill, factory mgr.; H. F. Herbermann, sec.; James A. Brand, asst. sec.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Net earnings	396,691	234,592	*20,883
Less:			
Tax res.	39,155	24,000	......
Net profits	357,536	210,592	*20,883
Add net adjust. ..	......	......	3,921
Com. divids.	118,889	......	......
Surplus for year .	243,647	210,592	*16,962
Prev. surplus	133,581	*77,011	*60,049
Bal. carried for. ..	377,228	133,581	*77,011

* Deficit.

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	16¼	6	23	13½

* To Jan. 22.

Canadian Bronze

Equipment Orders Bring Revenue in Addition to Constant Orders for Maintenance Requirements

The large volume of equipment orders that has been placed by the railroad companies, should materially increase the earnings of Canadian Bronze Company. The record of the company's profits indicates that it is assured of a fairly steady volume of earnings, and additional business obtained from the recently placed car orders should be reflected definitely in profits. Canadian Bronze was incorporated in 1927, when it acquired all the assets and undertakings of Canadian Bronze, Northwestern Bronze, and St. Thomas Bronze Company, previously controlled by American interests. Operations have been carried on since 1896, consisting principally of the production of ball bearings, bushings, and castings for railway freight and passenger cars, and locomotives in Canada. Four modern plants are located at Montreal, St. Thomas, Winnipeg and Calgary.

The principal source of the company's income is from replacement orders for maintenance; in this respect the company handles nearly all the requirements of the railway companies in Canada.

In October, 1928, the common stock was split, on the basis of two for one. The company is in a strong liquid position, and the amount of preferred stock outstanding has been reduced by some $200,000 during the fiscal year. As this is the only security ranking senior to the common stock, the position of the common shareholders is favorable. Indications point to some disbursement being made on the common shares this year.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	100,000 shs.	80,000 shs.
Pref. 7% cum. ... Par value $100.	$1,500,000	$1,250,000

Funded Debt—
None.

Dividend Record—
On preferred, 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend of 1¾ per cent. paid Aug. 1, 1927. Common placed on a $4 per share per annum dividend basis in April, 1928. New stock placed on a $2 per annum basis, with an initial dividend of 50 cents payable Feb. 1, 1929.

Officers and Directors—
P. R. Diamond, pres. and man. dir.; W. L. Bayer, vice-pres. and sec.; R. J. King, treas.; W. S. Caie, ass't. sec.; Sir C. Gordon, Sir H. Holt, R. H. McMaster, E. R. Decary, H. C. Flood, A. E. Dyment, S. H. Jones, R. O. Johnson.

Consolidated Income & Surplus Account, Year ending Dec. 31

	1928
Operating profits	0469,268
*Net revenue	25,676
Net profits	494,944
Preferred dividends	75,003
Balance	419,941
Preferred sinking fund	41,994
Balance	377,947
Common dividends	160,000
Surplus	217,947
Premium on preferred	27,497
Balance	190,450
Previous balance	217,806
Profit and loss balance	408,256

*From investments, interest and rentals.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	69	43	†71½	65	94	68⅞
Pref.	110½	98½	111½	105¼	110⅝	110

* To Jan. 22. † New stock.

Dom. Foundries & Steel

Operation of Universal Plate Mill, Long Idle, is Expected to be of Great Help to Company — Castings Business Grows

Dominion Foundries & Steel of Hamilton, Ontario, in the last couple of months has been operating its universal plate mill. This mill, constructed in 1919, was never operated because of the drop in demand for plate following the war and because an inadequate tariff made it impossible to operate a plant of this character to meet Canadian demands for steel plate.

Late in 1928, however, a few mechanical changes were made in this mill so that it now will roll universal plates and slabs from six to 40 inches wide, sheared plate up to 66 inches wide and carbon or alloy blooms and billets for re-rolling or forging. The mill is of the latest high-speed type both mechanically and electrically, and it is hoped that the company will procure at least 50 per cent. of the Canadian business for such a plant. Such Canadian business totals $5,000,000 yearly. The only other plate mill in Canada is at Sydney, N. S., and this was built especially for the making of ship plates. It is understood that this mill is not operating at this time.

Foundry is Busy

Since these changes have been made in the mill at Hamilton, orders have been received which make the outlook for Dominion Foundries & Steel highly promising.

The other branch of the company's business is operating a foundry making miscellaneous steel castings. The company has had a long experience in this line and within the last two or three years successfully has made a large number of heavy intricate castings for bridges, hydraulic and electric generator installations. The organization is complete with chemical and physical laboratories, including equipment for microscopic work for keeping the melting and heat-treating of steel up to standard qualities.

Earnings of the company have been growing slowly since 1924 despite the fact that the plate mill was idle. Now that the plate mill is in operation it is hoped that the company will work itself into a good financial position. The preferred dividends are in arrears from 1921. The company has a potential asset in an investment in the associated Adirondack Steel Company. The management of Dominion Foundries & Steel is efficient.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$2,998,100
Pref. 8% cum. ... Par $100.	1,000,000	719,900

The company has outstanding $1,894,500 of 7 per cent. first mortgage bonds, of which $1,750,000 are deposited with the bank as collateral secured for direct advances. The remaining bonds are held by the company.

Dividend Record—
Last preferred dividend paid June, 1921. Common paid 18 per cent. in 1918, 15 per cent. 1919, 4 per cent. 1920. 1921 gave script dividend one share Adirondack Steel Com. for every 5 D. F. & S. None since.

Officers and Directors—
C. W. Sherman, Hamilton, pres.; W. J. Verity, vice-pres., Brantford; F. A. Sherman, A. G. Wright, sec.; S. A. Crope, New York; S. Burrows, Belleville; J. Ruddy, G. H. Gordon, G. H. Levy.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Earnings	208,561	151,512	54,830
Less:			
Interest	28,724	40,728	44,287
Depreciation	175,000	107,647	7,625
Bond discount	2,000	2,000	2,000
Taxes	450	......	374
Emp. insur.	529	......	......
	206,703	150,375	54,286
Balance	1,858	1,137	553
Add prev. surplus	493,126	491,989	491,436
Bal. car. forward	494,984	493,126	491,989

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$654,000	$57,600	$596,400
1920	204,369	177,042	701,488
1921	*76,775	29,172	570,140
1922	*2,154	......	484,750
1923	203,798	......	489,929
1924	113,722	......	491,436
1925	54,830	......	491,989
1926	151,512	......	493,126
1927	208,561	......	494,984

* Loss in operations.

Canadian Dredge

Projected Harbor and Channel Work May Keep Company Busy for Years

In view of the great developments of the channels and harbors on the Great Lakes and St. Lawrence River, which are now taking place and which will continue for a number of years, investment in the Canadian Dredge & Dock, Ltd., is more than ordinarily attractive. Investment in construction companies often is looked at askance owing to the fact that revenues of construction companies vary greatly from year to year as construction activities wax and wane. But Canadian Dredge & Dock reasonably can look forward to a number of years activity before and after completion of the new Welland ship canal. The prospects will be especially bright if and when the Beauharnois power project is approved by the government of Canada.

Earnings on the common stock of this company currently are high and the outlook in the immediate future is bright. The company maintains an excellent cash position, and it is stated that the present dividend could be maintained for a number of years even if the company did not procure any profitable work in that time. The company is financed conservatively and is efficiently managed.

Conversion is Profitable

With the increase in the dividend rate on the common stock to $3 in last few weeks it is now profitable to convert the preferred stock. The preferred is convertible into common on the basis of three shares of common for one preferred. Thus the preferred holder can receive $9 per year in dividends for common stock to be exchanged for preferred stock which now yields him $7 per year.

Canadian Dredge & Dock is said to be the leading dredging and dock building company in Canada, being in itself as large as its next largest four competitors. Its equipment is modern and it operates its own machine shop at Port Robinson on the Welland Canal. The company has a number of contracts now in process which will keep the most of its plant busy for several months or well toward the end of 1929 and possibly running into 1930.

Capitalization—

	Authorized	Outstanding
Preferred, 7% ..... Par value $100.	$2,000,000	$1,500,000
Common ... No par value.	150,000 shs.	50,000 shs.

Dividend Record—
Initial quarterly dividend of 1¾ per cent. on preferred paid May, 1928, payments Feb., May, Aug. and Nov. 1.
Common $2 per share per annum, payable quarterly. A bonus of 25 cents per share was paid Nov., 1928.

Officers and Directors—
D. S. Pratt, pres. and mgr. dir.; W. E. Phin, chm.; F. W. Grant, vice-pres.; F. W. Grant, J. Playfair, D. L. White, W. J. Sheppard, S. C. Mewburn, F. M. Ross, D. I. McLeod, A. R. Dufresne.

Earnings—

	11 mos. end. Dec. 31 1927	Yr. end Jan. 31 1927
Earnings from oper. ..	$519,944	$318,742
Depreciation	48,572	69,787
Income taxes	38,651	23,195
Net earnings	432,721	225,760

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	67½	31	88½	63½
Preferred	197	108	225	190

*To Jan. 30.

Kelvinator of Canada

Conditions Have Improved Since Re-organization of Last Year

Kelvinator of Canada has been affected by the same conditions which a year ago resulted in a re-organization of the parent company in the United States. The experience of this company is the experience of many promotions which have been expanded so rapidly that, despite good prospects for the market, the company has been unable to operate at a satisfactory profit at all times.

With the assumption of control by new interests, with a change in policy and a number of economies and consolidations of efforts, it is believed that the United States company is making material progress. In addition there is the possibility that the company eventually will be taken over by one of the large automobile manufacturers and operated as a subsidiary.

The preferred stock of the Canadian company is unconditionally guaranteed as to principal and dividend by the United States company so that if the United States company does fairly well the Canadian investment is safe. The Canadian company, it is understood, has been operating profitably for some months. The Canadian company not only has the Canadian market but a large part of the export market, including certain tropical countries. In view of the fact that the demand for electrical refrigeration is not a seasonal one in tropical countries, it is believed that the factory at London, Ont., can be operated almost constantly.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	100,000 shs.	100,000 shs.
Preferred ...... Par $100.	$800,000	$768,000

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. per annum. First dividend pay May, 1926, and quarterly since, Feb., May, Aug. and Nov. 15.

Officers and Directors—
Oficers—C. K. Woodbridge, pres.; H. A. Lewis, vice-pres. and man. dir.; M. Wiley, sec.; A. J. Curley, asst.-sec.; B. A. McDonald, treas.
Directors—A. H. Goss, C. K. Woodbridge, M. Wiley, Howard A. Lewis, Detroit, Mich.; Arthur T. Little, London, Ont.; D. O. Bull, Brampton, Ont.; C. B. McNaught, A. E. Ames, Toronto.

Income and Surplus Account Years Ending September 30

	1927	1928
Profits	x$175,609	$ 6,156
Other income	3,339	......
	x$172,270	$ 6,156
Less: Pfd. dividends ...	40,995	......
	x$213,265	$ 6,156
Income from subsid. ...	21,642	......
	x$191,623	$ 6,156
Add previous surplus ..	46,372	x145,251
Surplus for year	x$145,251	x$139,094

xDeficit.

* Deficit.

Stock Range—

	1927	1928	*1929
Preferred, high	95	88	83
Low	50	65	80
Common, high	15	14	12
Low	4	5	8

* To Jan. 22.

Building Products

Outlook for Company Promising—Company Maintains Liquid Position

The redemption of the preferred stock of Building Products has materially strengthened the position of the common shareholders, and the prospects for the stock, marketwise, are attractive. Part of the funds to redeem the preferred have come from the issuance of shareholders rights to buy class "A" shares at $35 on the basis of one new share for every ten held. Further financing will probably not be required, as the company occupies a strong liquid position.

Building Products is a company manufacturing asphalt prepared roofing, wallboard and similar products. In conjunction with the St. Maurice Valley Corporation, the company organized Forest Products, Limited, which enhances the ultimate earning possibilities of the company.

Building Products is an amalgamation of Bird & Sons and the Ruberoid Company. In 1927, the company acquired the Vulcanite Roofing division of the Beaver Company, and has developed a new product known as Insul Board. Marketwise, the shares of Building Products have done well, and their outlook is promising.

Capitalization—

	Authorized	Outstanding
Common "A" ...	105,360 shs.	105,360 shs.
Common "B" ... No par value.	4,500 shs.	4,500 shs.
*Pref. 7% cum. Par $100.	$750,000	$750,000

* Preferred called for redemption on Jan. 2, or Apr. 1, 1929, at the option of the holder at $105.

Funded Debt—
None.

Dividend Record—

Officers and Directors—
Officers—P. R. Allen, pres.; Wm. R. McNeil, vice-pres. and mgr. dir.; R. C. Crooker, sec.-treas.
Directors—Herbert Abraham, New York; Philip R. Allen, East Walpole, Mass.; Wm. R. McNeil, Hamilton; A. E. Ames, Toronto; C. P. Cowan, Montreal; D. P. Hatch, Montreal, Que.; H. R. Tudhope, C. B. McNaught, G. M. McKee.

Consolidated Income and Surplus Account Years Ending Dec. 31

Less appropriations:	1927 $	1926 $	1925 $
Net profits	331,737	209,999	89,207
Preferred div. ..	50,750	52,500	13,006
Common div. ..	32,958	......	35,994
Conting. reserve	......	43,466	......
Surplus for year ..	248,029	114,033	40,207
Add prev. surp. ..	154,240	40,207	......
Bal. carried for. ..	402,269	154,240	40,207

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	34½	23¼	47	29½	43¾	38
Pref.	105	93½	106	101	..	..

* To Jan. 22.

Cockshutt Plow Co.

Outlook Hopeful — Present Price of Shares Equal to Old Preferred Plus Accumulated Arrears

Cockshutt Plow Co., in the last year achieved a reorganization of its capital structure which wiped out about 55 per cent. of arrears on the old preferred stock and placed the company in position to make further progress freed of the overburden of deferred charges. The holders of the preferred stock got four shares of common stock of no par value and ten dollars in cash and the 50,000 shares of old common stock were converted into 30,000 shares of the new common. Thus the company's sole capitalization now consists of common shares of no par value. There is no funded debt.

From an operating point of view the company has done well since 1924, and the report for 1928 showed net earnings of $2.89 per share, or 50 per cent. greater than the earnings for the previous year.

Outlook Promising

In the circumstances, the present outlook for the common shareholders is promising, particularly since the directors have declared a dividend of seventy-five cents per share for the half year ended December 31, 1928, this being at the rate of $1.50 per year or the equivalent of six per cent. on the old perferred stock.

There are few Canadian stocks with a wider market interest, it being active in Montreal and Toronto and also being listed on the London Stock Exchange. There are large holdings in England, a block of the preferred shares having been offered in that country in 1911. While the majority of the preferred stock was held in England prior to the present re-organization, it is understood that Canadian buying has changed its situation so that control at present lies with Canadian shareholders associated with the management

The management of the company is efficient and the directorate includes some prominent names, among them being Colonel Henry Cockshutt, former Lieutenant-Governor of Ontario.

Exports Growing

The company is one of the largest manufacturers of agricultural implements in Canada. The business has been established since 1880. The works are situated at Brantford, and are on a site of more than 33 acres. Warehouses are owned at Brantford, Winnipeg, Calgary, Regina, Saskatoon, Edmonton and Brandon, and a number of other leased warehouses are in use.

The company's business in former years has been confined largely to Canada, but in the last two or three years efforts have been made to establish an export business, and it is understood that considerable success has attended these efforts.

The company manufactures plows and a number of other agricultural implements and wagons. Within the last few months it has procured the Canadian license for the manufacture and distribution of the Allis-Chalmers tractor which is well regarded for farm purposes.

At present prices original purchasers of the stock can sell their holdings and reimburse themselves for their original investment, plus all of the accumulated arrears at the time of the reorganization, and leave something over.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	288,600 shs.	288,600 shs.

Funded Debt—
None.

Dividend Record—
Common 75 cents for half-year ended Dec. 31, 1928, payable Feb. 1, 1929.

Officers and Directors—
Col. J. H. Cockshutt, pres. and chm. of board; F. Perry, vice-pres.; A. K. Bunnell, vice-pres.; E. Fitzgerald, G. A. Baker, E. A. Mott, gen. mgr. and treas.; G. K. Wedlake, works mgr.; E. Sweet, sec.; W. J. Phillips, asst.-sec.; W. B. Scace, pur. agent.

Income and Surplus Account Years Ending December 31

	1928 $	1927 $	1926 $
Net earnings * ...	827,451	448,690	305,450
Other profit	......	48,074	......
	827,451	496,764	305,450
Less:			
Prov. taxes and unadj. claims	54,936	43,364	......
Net profits	772,515	453,410	305,450
Less appropriations:			
Dividends	216,450	......	258,600
Pref. stk. conver.	646,500	......	......
	862,950	453,410	258,600
Surplus for year .	†90,435	453,410	46,850
Add prev. surplus	570,352	116,942	70,092
Bal. carried for. ..	479,917	570,352	116,942

* After depreciation and bad debts.
† Deficit.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$571,587	$258,600	$399,388
1920	660,921	484,875	574,434
1921	624,292	258,600	251,761
1922	5,657	258,600	3,193
1923	98,636	387,900	116,277
1924	64,346	64,650	54,302
1925	313,506	......	70,092
1926	305,450	258,600	116,942
1927	448,690	......	570,352
1928	827,451	216,450	479,917

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	41⅝	23	50	37

* To Jan. 22.

Page-Hersey Tubes

Company Operates Profitably — Bonds Redeemed Quickly Out of Profits — Conversions of Preferred Likely to Come Fairly Soon

One of the Canadian common stocks which appears to be getting rapidly into the investment class is that of Page-Hersey Tubes Ltd. This company operates, either directly or through wholly-owned subsidiaries, five mild steel and wrought iron manufacturing plants at Guelph, Welland and Cohoes, N.Y. The products are pipes and tubing for virtually every industrial purpose. These include railway signal tubes, steel tubing for gas wells, pipes for pipe lines, clamps, tubular poles, columns, steel commutes and cuttlings for electric wires, coils for heating apparatus, refrigerator plants, drying rooms, soap factories, sugar refineries and general engineering purposes.

The export trade of the company has been developed rapidly and the domestic business is consistently active in comparison with the prosperity of the country.

Bonds Quickly Retired

The present company, which was incorporated in 1926, was the successor of companies which had been in existence since 1903, first in Guelph and later, beginning in 1910, in Welland. The plant at Cohoes, N.Y., is operated by a subsidiary company known as the Mohawk Conduit Co., Inc. The Baldwin Canadian Steel Works of Toronto was merged with Page-Hersey Tubes in March, 1928.

An idea of the progress of the company since the present securities were placed on the market in 1926 is given by the fact that $2,000,000 of 6 per cent. first mortgage bonds issued in July, 1926, have been redeemed in full. As at the end of 1927 there were $918,000 of these bonds outstanding.

Thus at the present time the capitalization of the company consists of about $2,500,000 of seven per cent. preferred stock which is convertible into common on the basis of two shares of common for one of preferred. In view of the position of the company it is expected that the preferred stock will be called for redemption within a reasonably short time. This probably will not mean any outlay of cash by the company because holders will find it profitable to convert their shares into common. In about 2½ years the common stock has risen in market value from $50 to in excess of $130 per share.

The company is excellently managed. If there is any criticism of the management it must be based on the point of view of shareholders who might claim with some justification that these directors are pessimistic in their public utterances regarding the outlook for the company. The balance sheet is a most conservative document and the attitude of the directors may have had an adverse influence on the market.

As Page-Hersey Tubes is the leading manufacturer in its line in Canada, and as it has a growing export market, it is reasonable to assume that the investment will continue to be satisfactory and that a general stock market reaction probably will affect these shares less than others which possibly have discounted the future to a greater extent.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	175,000 shs.	116,818 shs.
Preferred .... 7% cum., par $100.	$3,000,000	$2,715,100

Funded Debt—
Sinking fund gold bonds, 6 per cent., due 1946, $918,000.

Dividend Record—
Preferred, 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1. Common, $3 per share per annum, First quarterly payment made Oct. 1, 1926.

Officers and Directors—
W. W. Near, pres.; H. C. Scholfield, vice-pres.; D. H. Friedman, vice-pres.; C. L. Dunbar, G. F. Perry, Sir H. H. Pellatt, C.V.O.; A. W. Holmestead, H. J. Fuller, A. E. Ames, H. Rooke, sec.-treas.

Income and Surplus Account, Year Ending December 31

	1927 $	6 Mos. to Dec. 31, 1926 $
*Net profits	1,021,600	381,174
Less appropriations:		
Preferred divids.	200,909	105,000
Common divids.	341,152	166,680
Surplus for year	479,539	†110,494

* After bond interest, taxes and depreciation.
† Surplus for 1926 carried to capital stock account and the value of the common stock was increased by this amount.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	90	55¼	135	85	135	128
Pref.	180	116	240	171	261	261

* To Jan. 22.

Gotfredson Corp.

Used Truck Problem is Factor in Making Investment Disappointing

Gotfredson Corp. has been a disappointing investment, although the company manufactures a motor truck which is well regarded by purchasers and users of motor trucks throughout Canada and in some parts of the United States. The corporation has suffered from the fact that high allowances have been made on used trucks and because many buyers of trucks have not the financial responsibility which makes the bills receivable line on the balance sheet a satisfactory item.

It is possible that there will have to be a reorganization of this company or a change in policy before there can be any improvement in the situation from the point of view of the shareholder.

Capitalization—

	Authorized	Outstanding
Stock .... No par value.	100,000 shs.	100,000 shs.

Funded Debt—
6½ per cent first mortgage bonds, due 1937, $1,000,000.

Dividend Record—
Dividends at the rate of 37½ cents per share, paid Oct. 15, 1925, and quarterly to April, 1927. None since.

Officers and Directors—
R. J. Gotfredson, pres.; M. H. Coleman, vice-pres.; W. H. Eckert, sec.; J. H. Barth, treas.; R. A. Daly, A. J. Hennings.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Net earnings	88,199	311,913	353,949
Less:			
Interest	44,037	53,130	32,952
Bad debts, etc.	....	8,133	12,237
Depreciation	83,161	35,427	34,921
Taxes	......	19,190	28,559
	127,198	115,880	108,669
Net profits	*38,999	196,033	245,280

*Loss.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	15	15	15	5	8	6

*To Jan. 31.

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LONDON, E.C.2, ENG.

Suggestions on Request

Can. Machinery

Depression Still Affects Business of This Corporation

It is understood that the report of Canada Machinery Corp. for the year 1928 will show some improvement, but not much, over the previous year. The company is not yet operating at capacity. Although the outlook continues to improve, progress is slow, owing principally to the large quantity of machinery which is imported.

The depression in the machinery business still is in part a legacy from the war period when production of machinery was speeded to a point far in excess of normal peacetime needs of industry.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$960,000
Preferred 7% ...... Par $100.	750,000	602,450

Funded Debt—
First mortgage 6 per cent., bonds due 1940, $224,750.

Dividend Record—
Preferred non-cumulative. None paid since 1921. Common, none paid since 1920.

Officers and Directors—
Officers—T. H. Watson, pres.; G. D. Forbes, vice-pres.; B. H. Neill, sec.-treas.
Directors—Thomas H. Watson, Galt, Ont.; George D. Forbes, Hespeler, Ont.; R. O. McCulloch, Galt, Ont.; C. H. Easson, Toronto, Ont.; George R. Gray, Sault Ste. Marie, Ont.

Income and Surplus Account, Years Ending January 31

	1928 $	1927 $	1926 $
Net profits	53,982	34,698	319
Less: Bond int.	18,105	18,105	......
Balance	35,877	16,593	319
Add pr. deb. bal.	†16,593	......	182,946
Deb. bal. car. for.	52,470	†16,593	182,627

†Surplus. During 1926 some of the larger shareholders voluntarily surrendered without cost to the company 2,175 shares of common stock, which were used to eliminate the balances at debit of profit and loss account.

George A. Fuller

Position of Preferred Shares is Favorable Through Participation

The George A. Fuller Company is experiencing a large volume of business during the current fiscal year, and profits will show a substantial increase over those of the previous period. The company has many contracts on hand, including the construction of the Dominion Square Building in Montreal, a large undertaking. The company is controlled by the George A. Fuller Company of New Jersey, which owns the majority of the common stock in the Canadian company.

The position of the preferred shares, through their participating feature is interesting. This stock is participating in dividends equal to 20 per cent. of the residuary net profits each year, after certain deductions, including the 6 per cent. preferred dividend. Participation is limited to $9 a share, the feature becomes operative during the current year. In view of the substantial earnings of the company, it is thought that the preferred shareholders will benefit through this participating feature in 1929.

Capitalization—

	Authorized	Outstanding
Common	$250,000	$250,000
Pref. 6% .... Par $100.	750,000	750,000

All common except directors' qualifying shares is owned by George A Fuller Co. All preferred stock is held in Canada.

Funded Debt—
None.

Dividend Record—
Preferred 6 per cent. payable quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors—
L. R. Crandall, pres.; J. F. McPherson, J. L. E. Price, vice-pres.; W. S. M. MacTier, sec.-treas.; W. L. Mathews.

Steel Foundry — Open Hearth — Axle Forge — Plate Mill.

PLATES — AXLES — STEEL CASTINGS
— for —
ELECTRICAL WORK
WATER POWER PLANTS
CARS and LOCOMOTIVES
BUILDINGS and BRIDGES

DOMINION FOUNDRIES & STEEL LTD.
HAMILTON - CANADA

Canadian Vickers

Output of Structural Steel Increases, and Company Begins Production of Fokker Aircraft

The diversity of the operations of Canadian Vickers, is proving valuable in these days of prosperity in Canada. Canadian Vickers' activities are divided into four separate departments; marine, aviation, structural steel and industrial engineering. Though the demand for structural steel and industrial machinery has been keen, the greatest expansion of the company during the past year has been in its aeroplane plant; its capacity has been quadrupled. Canadian Vickers recently acquired valuable rights to manufacture and sell the Fokker type of aircraft in Canada and Newfoundland. In addition, the company has the right to assemble a range of leading aeroplane engines including the Wright, Bristol and Jupiter.

The firm has decided to acquire in Winnipeg, and other points across the country, suitable establishments for servicing, operating companies.

The decision of the Montreal Harbor Commissioners and the Department of National Defence to create an air harbor in Montreal, is favorable to the company. The new harbor will be near the former location operated by the company as a mooring area for visiting boats and seaplanes. One portion of the mooring area will be used by Canadian Vickers for its own machines; the other will be used for visiting aircraft.

Canadian Vickers is in a strong position as far as the requirements of the Canadian aircraft industry is concerned, and the growth of aerial activity in Canada should reflect favorably on its earnings.

The first report of the company made public, shows earnings on the common stock of $2.59 a share for the year ended February 29, 1928. Indications point to a considerable betterment of this figure at the end of the present fiscal year. The company's structural steel and industrial departments are doing and will likely continue to do a very satisfactory volume of business.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	100,00 shs.	50,000 shs.
Pref. 7% cum. (Par $100.)	$5,000,000	$1,700,000

Funded Debt— First mortgage, bonds, 6%, due 1947, $2,750,000.

Officers and Directors— James Playfair, pres.; F. M. Ross, vice-pres.; V. M. Drury, N. A. Timmins, J. C. Newman, G. R. Cottrell, T. A. Russell, J. A. Richardson, J. McL. Stephen, G. Barr, vice-pres. and man. dir.; J. W. Savidant, treas. and compt.; F. G. Wilson, sec.

Dividend Record— Preferred 7 per cent., payable quarterly Feb., May, Aug. and Nov. 1.

Income and Surplus Account Year Ending February 29

	1928
Earnings	$568,884
Less:	
Bond interest	95,835
Other interest	113,178
Depreciation	170,922
Net profit	$188,949
Less:	
Preferred dividends	59,500
Surplus for year	$129,449

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	49⅛	24⅛	44¾	36
Preferred	96½	90	92	89½

*To January 22.

Canada Cement

The generally prosperous business conditions in Canada during 1928 brought about a better demand for cement, and sales of the Canada Cement Company have shown an increase in all districts. The largest increase was made in western Canada, which enabled the company to make a substantial reduction in prices in that district.

Export business did not show the increase that was expected, as low labor costs and freight rates of European competitors mitigated against development in the export field.

In 1928 the Canada Cement Company disposed of its holdings in the Consumers Glass Company, and its interests in the Pennsylvania Gypsum Company. The Atlantic Gypsum Products Corporation, of Portsmouth, New Hampshire, has taken over the gypsum interests, and will supply the Canada Cement with the gypsum requirements of its eastern plants. In the past fiscal year the company made liberal write offs for depreciation and reserve funds, which tends to strengthen the liquid position of the company and to increase the equity of the common shareholders.

The company should continue to prosper while construction activity continues in Canada, and its policy of ploughing earnings back into the property will enable it to withstand better any lean times that may follow the present boom in constructional activity. As a long hold for a business man, the common shares appear to be interesting.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	750,000 shs.	600,000 shs.
Pref. 6½% (Par $100.)	$25,000,000	$21,000,000

Funded Debt— First mortgage 5½ per cent. due 1947, $20,000,000.

Dividend Record— Preferred dividends 6½ per cent. per annum, payable quarterly, Mar. 31, June 30, Sept. 30 and Dec. 31. Initial dividend of $1.62½ per share paid Mar., 1928.

Officers and Directors—

Officers—A. C. Tagge, pres.; J. D. Johnston, vice-pres. and gen. mgr.; H. L. Doble, vice-pres. and comptroller; F. B. Kilbourn, gen. supt.

Directors—F. P. Jones, Montreal; A. C. Tagge, Montreal; H. J. Fuller, New York; R. E. Webster, Ottawa; Angus McLean, Bathurst, N. B.; D. M. Butchart, Owen Sound; R. W. Kelley, New York, N. Y.; Hon. C. C. Ballantyne, Montreal; Farquhar Robertson, Montreal, Que.; G. W. Allan, Winnipeg, Man.; H. L. Doble, Montreal, Que.; Gordon Edwards, Ottawa, Ont.; E. M. Young, Allentown, Pa.; T. A. Russell, Toronto, Ont.; J. P. B. Casgrain, Montreal; Hon. J. L. Perron, Montreal; Sir Herbert Holt, J. H. Gundy, J. D. Johnson, F. B. Kilbourn.

Income and Surplus Account

		Yr. to Nov. 30 1928
Profits		$4,673,774
Less: Depreciation		1,598,874
Net profits		3,074,900
Deduct:		
Bond interest	$1,100,000	
Fine insur. res.	152,949	
Reserve for repairs and renewals	25,000	
Reserve for sacks	150,000	
Res. for accidents	20,000	
Contingent reserve (taxes, etc.	230,000	
Preference sinking fund	2,076	
		1,680,027
		$1,394,874
Deduct:		
Dividends on preferred stock		1,365,000
Balance		29,874

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Com.	37	35	33	31
Pref.	101¼	95	99	98

*To Jan. 22.

Can. Westinghouse

Stock is Unlisted but Ranks as Conservative Investment

The common stock of this company may be regarded as one of the best investment stocks in Canada, except for the fact that it is rather closely held and is not listed on any exchange. Occasionally, however, it can be picked up from dealers in unlisted securities. It probably is worth considerably in excess of $200 per share.

Capitalization—

	Authorized	Outstanding
Common (Par $100.)	$10,000,000	$9,000,000

In May, 1927, the company increased its capital by $1,567,100. These shares were offered to shareholders at par on the basis of one share for five held.

Funded Debt— None.

Dividend Record— 8 per cent. per annum payable quarterly commencing Jan. 1. A special bonus of 30 per cent. was paid to shareholders in June, 1927.

Officers and Directors—

Officers—H. H. Westinghouse, chairman; Paul J. Myler, pres.; L. A. Osborne, vice-pres.; F. A. Merrick, vice-pres.; N. S. Braden, vice-pres.; H. U. Hart, vice-pres.; and chief engineer; W. E. Sprague, sec.; G. R. Kerr, vice-pres. and treas.; C. H. O. Pook, mgr. of works; H. M. Bostwick, mgr. of sales.

Directors—J. F. Miller, F. A. Merrick, Pittsburgh, Pa.; L. A. Osborne, C. A. Terry, H. H. Westinghouse, A. L. Humphrey, New York; Thos. Ahearn, Ottawa, Ont.; Sir John M. Gibson, Paul J. Myler, N. S. Braden, Hamilton, Ont.

Income and Surplus Account, Years Ending Dec. 31

	1927 $	1926 $	1925 $
Gross earn.	2,551,188	1,796,741	2,466,956
Invest. income	......	......	76,186
Total	2,551,188	1,796,741	2,543,142
Less oper. exp.	......	......	1,069,755
Net earnings	2,551,188	1,796,741	1,473,387
Less: Deprec.	240,000	250,000	245,000
Taxes	187,000	140,000	131,000
Pension fund	50,000	40,000	20,000
Patents, rents, etc.	499,999	......	......
	976,999	430,000	396,000
Net profits	1,574,189	1,366,741	1,077,387
Less appropriations:			
Pref. divs.	838,116	743,290	743,290
Surp. for year	736,073	623,451	334,097
Add pr. surp.	*2,003,123	3,621,541	3,287,444
Bal. carr. for.	2,739,196	4,244,992	3,621,541

*Less dividend paid June, 1927, out of accumulated earnings, $2,241,870.

Consolidated Pipe

The Consolidated Pipe, Company was formed in 1927 to acquire the rights in Canada for the manufacture of concrete pipe by a centrifugal process under various patents.

Capitalization—

	Authorized	Outstanding
7% pref. (Par $100.)	$200,000	$200,00
Common (No par value.)	6,000 shs.	6,000 shs.

Officers and Directors— J. H. Sherrard, pres.; R. W. Mitchell, vice-pres.; R. B. Williamson, Geo. A. Ross, Paul E. Joubert, A. P. Lundin, J. Leonard Apedaile, J. L. McSweeney.

J. S. Mitchell

Owing to the increased industrial activity in the Eastern Townships area, where most of the company's business originates, there has been a good demand for the material supplied by the J. S. Mitchell Co. during the past year. Not only has there been an increase in the volume of sales, but earnings show a substantial advance over those of last year.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	15,000 shs.	15,000 shs.
Preferred (7 per cent. cumulative, Par $100.)	$1,000,000	$590,000

Dividend Record— Initial quarterly dividend of 1¾ per cent. on preferred paid Oct., 1926, and regularly quarterly since. No dividend paid on common.

Officers and Directors— J. C. Newman, pres.; G. W. Murphy, vice-pres. and gen. mgr.; G. W. Scott, sec.; W. B. Rapley, M. W. Mitchell, L. C. Webster, A. C. Stevens.

Income and Surplus Account, Years Ending December 31

	1927	1926
Net earnings	$103,348	$106,018
Other income	17,505	37,233
Total income	120,853	143,251
Interest	......	4,256
Tax reserve	9,698	11,162
Other charges	......	2,992
Balance	111,155	124,841
Pref. divs.	41,314	58,838
Gen. reserves	47,396	......
Surp. for year	22,445	66,003

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	41	28	72	38	73	60
Pref.	93	93	110½	99½	104	104

*To Jan. 29.

Manitoba Bridge

Manitoba Bridge & Iron Works, Ltd., is a manufacturer of steel, bar iron, railway supplies, mining equipment, etc. Properties consist of foundry and structural bridge, machines, tanks, forging, galvanized and frog and switch shop with an annual capacity of about 20,000 tons. The outlook is believed to be promising.

Capitalization—

	Authorized	Outstanding
Stock (Par $100.)	$1,000,000	$946,575

Funded Debt— None.

Dividend Record— None since 1917.

Officers and Directors— Thos. R. Deacon, pres.; H. B. Lyall, vice-pres.; W. Stuart, sec.; E. J. Burleigh, treas.; G. F. Galt, G. W. Allan, Wm. Robinson, W. H. Cross, R. J. Gourley, H. A. Mackay, W. T. Gwyn, Winnipeg, Man.

Pedlar People

Capitalization—

	Authorized	Outstanding
Capital stock	$400,000	$400,000

(Stock is closely held. Par $100.

Funded Debt— First mortgage 8 per cent. bonds due $25,000 annually, Jan. 1, 1929 to 1940 inclusive, and $50,000 Jan. 1, 1941; outstanding $350,000.

Officers and Directors— W. R. Geikie, pres. and gen. mgr.; S. E. Pedlar, vice-pres.; F. L. Mason, M. H. Ludwig, E. B. Northwood.

National Brick

Earnings during the current fiscal year are understood to be satisfactory. Though the outlook for the company is improved, the record of the stock market-wise still renders the shares speculative.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$2,000,000
Preferred (7 per cent. cumulative.)	3,500,000	3,339,600

Funded Debt— Six per cent. bonds, due 1951, not outstanding, but are held in treasury to be used as collateral against bank loans, $750,000.

Dividend Record— Initial quarterly dividend of one per cent. on preferred, paid Aug., 1924; Nov., 1924, 1 per cent.; Feb., 1925, 1 per cent.; May, 15, 1¾ per cent., and quarterly thereafter to Feb., 1927, inclusive; reduced to 6 per cent. per annum by payment of 1½ per cent. May, 1927. On common, initial quarterly dividend of 1¼ per cent. paid March, 1913, and quarterly thereafter to June, 1914, inclusive, none since.

Officers and Directors— C. C. Ballantyne, pres.; Paul Galibert, vice-pres.: A. T. Alexander, sec.-treas.; F. H. Wilson, W. E. Muir, A. A. Ayer, A. Joyce, H. R. Trenholme, Hon. J. L. Perron, N. J. Dawes.

Income and Surplus Acount, Years Ending Feb. 28

	1928 $	1927 $	1926 $
Net earnings	290,814	265,122	259,508
Less:			
Res. for taxes	.....	9,266	21,788
Res. for renew.	50,000	50,000	50,000
Net profits	240,814	205,856	187,720
Pref. div.	200,376	233,772	233,772
Surplus for year	40,438	*27,926	*46,053
Add prev. surp.	239,703	267,629	313,682
Bal. carr. for.	280,141	239,702	267,629

*Loss.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	8	4	9	4	8¼	5¼
Pref.	81	56	83	60	83½	78

*To Jan. 22.

Standard Paving

Standard Paving & Materials is the name of a new holding company which has been created to acquire the stock of Standard Paving and Consolidated Sand & Gravel, and Kilmer & Barber and National Sand Co. The first two named are public companies of comparatively brief records and the others are private companies.

The basis of exchange for Standard Paving will be 115 shares of the new stock for 100 shares of the old. It is intimated that in the year just closed, the combined companies earned the equivalent of $4.68 on the new shares, and that the new shares will be placed on a $2 dividend basis.

From a market point of view, both the public issues have done well. Standard Paving stock was issued last April at $25 per share and recently was selling at $44. There are 60,750 shares. Consolidated Sand preferred came out $100 with a bonus of one share of common with each preferred. The preferred is now selling at $98 and the common at $20, representing an advance of $18 per share over the issue price last June.

As this is written, the official notice of the proposed consolidation of these enterprises under a holding company has not been made public.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	60,750 shs.	60,750 shs.

Funded Debt— None.

Dividend Record— Common, $1.50 per annum, payable quarterly, Feb., May, Aug. and Nov. 15. Initial dividend paid Aug. 15, 1928. A bonus of 37½c. per share was paid Nov. 15, 1928, and 12½c. per share payable Feb. 15, 1929.

Officers and Directors— J. Gleeson, pres.; J. F. Driscoll, vice-pres.; N. C. Shipman, sec.-treas.; J. Foley, G. C. Edwards, Hon. Sen. Dr. W. L. McDougald, W. P. O'Brien, C. N. Monsarrat, W. M. Weir, W. B. Milner.

Market Record—

	1929 High	1929 Low
Common	39½	29

*To Jan. 22.

Cons. Sand & Gravel

Capitalization—

	Authorized	Outstanding
Common (No par value.)	100,000 shs.	70,000 shs.
Pref. 7% cum. (Par $100.)	$1,200,000	$1,200,000

30,000 common shares reserved for conversion of preference shares.

Funded Debt— None.

Dividend Record— Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 15. Initial dividend of 1¾ per cent. paid Aug., 1928.

Officers and Directors— J. E. Russell, pres.; G. G. Robinson, gen. mgr.; F. W. Thompson, asst. mgr.; W. I. Newmarch.

	1928 H	1928 L	*1929 H	*1929 L
Common	18½	11	24	17½
Preferred	95	83¾	99	90⅛

*To Jan. 31.

Brandram Henderson

Current production of Brandram-Henderson is running at a rate well ahead of last year. The large volume of new buildings erected has created an excellent demand for paints and varnishes, and sales for 1928 will show a substantial increase over the previous year. The company is one of the larger producers in the paint and varnish industry in Canada. Plants or warehouses are located in nine of the leading cities. Manufacturing is done in Halifax, Montreal and Toronto. In addition, the company controls the Alberta Linseed Oil Company at Medicine Hat, and the Pacific White Lead Company operating in Vancouver.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$1,179,900
Pref. 7% cum. (Par $100.)	500,000	500,000

Dividend Record— Pref. 7 per cent. per annum, payable Jan., April, July and Oct. 1. Initial dividend on common of 8 per cent., paid Feb. 15, 1917; 4 per cent. 1918 and 1919; 5 per cent., 1920 and 1921; 8 per cent., 1922; 4 per cent., 1923 and 1924; none since.

Funded Debt— First mortgage, 6 per cent. gold bonds, due 1936, outstanding, $224,500. Consolidated bonds, 6 per cent., due 1939, $854,000.

Officers and Directors— George Henderson, pres.; C. Archibald, vice-pres.; Hector McInness, K.C., H. B. Stairs, K.C., I. C. Stewart, Thos. Contley, H. H. Champ, G. H. Montgomery, K.C., W. A. Black, G. Macgregor Mitchell, V. M. Drury, and J. M. C. Muir, sec. and treas.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Net earnings	192,648	155,766	103,296
Bond interest	67,453	68,723	70,231
Bond disct.	12,494	12,494	12,494
Depreciation	20,000	10,000	8,000
Net profits	92,701	64,649	12,571
Pref. div.	35,000	35,000	35,000
Res. for bad debts	......	......	52,500
Invent. res	......	......	70,000
Pensions	3,102	3,500	3,500
Surplus	54,599	26,149	*148,429
Prev. surplus	758,707	732,658	726,087
Trans. from res.	......	......	155,000
Bal. forward	813,306	758,707	732,658

*Deficit.

Ford of Canada

With the flotation in England a few weeks ago of a portion of the outstanding shares of the Ford Motor Co. of England, the Ford Motor Co. of Canada relinquished the distinction of being the only one of the Ford subsidiaries in which there is a public investment interest. The fluctuation in the value of the shares of Ford Motor of Canada in the past has been taken as an indication of the progress of the Ford institution as a whole, and the frequent stock dividends in past years have been conclusive evidence of the amazing progress of the Ford enterprises.

The enormous expense incidental to and the delay in achieving the construction of an entirely new motor car to replace the model "T," of which 15,000,000 had been marketed throughout the world, in 1927 and 1928, interfered materially with the revenues of the Ford Motor Company. A recent statement from W. R. Campbell, vice-president and treasurer of Ford of Canada, ended for the time being the spectacular gyration of the Ford of Canada stock on the New York Curb. Mr. Campbell stated that Ford of Canada would show a net loss of approximately $4,000,000 for 1928, and he said that there is no possibility of a dividend on the stock in 1929.

Capitalization—

	Authorized	Outstanding
Common (Par value, $100.)	$10,000,000	$7,000,000

Funded Debt— None.

Dividend Record— Dividends have been paid as follows: 1905, 6 per cent.; 1908, 10 per cent.; 1909, 25 per cent.; 1910, 100 per cent.; 1911, 100 per cent. and 500 per cent. in stock; 1912, 20 per cent. and 33-1/3 per cent. in stock; 1914, 10 per cent.; 1915, 110 per cent.; 1916, 600 per cent. in stock; 1917, 5 per cent.; 1918, 5 per cent.; 1919, 35 per cent.; 1920, 15 per cent.; 1921 and 1922, 30 per cent.; 1923, 10 per cent.; 1924, 10 per cent.; 1925, 20 per cent.; 1926, 10 per cent.; 1927, 15 per cent.

Officers and Directors— Edsel B. Ford, pres.; W. R. Campbell, 1st vice-pres. and treas.; Geo. E. Dickert, 2nd vice-pres.; Henry Ford, P. E. Martin.

Surplus and Profits Years Ending

	Dec. 31 1927 $	Dec. 31, 1926 $	5 Mos. end. Dec. 31, 1925 $
Net profits	171,221	5,341,177	974,317
Adjust of claims and tax	181,535	135,871	......
	352,756	5,477,048	974,317
Reserve	......	500,000	......
Dividends	1,050,000	700,000	700,000
Surp. for yr.	*697,244	4,277,048	274,317
Prev. surplus	28,552,579	24,275,530	24,001,213
Total surplus	27,855,335	28,552,578	24,275,530

*Deficit.

Seven Year's Earnings—

Year	Earnings	Dividends	Surplus
1921	$2,368,407	$1,050,000	$9,518,934
1922	5,139,665	2,100,000	12,537,972
1923	5,106,198	1,050,000	16,594,170
1924	3,719,188	700,000	19,609,861
1925	6,132,327	1,400,000	24,001,213
1925*	974,317	700,000	24,275,530
1926	5,341,177	700,000	28,552,578
1927	171,221	1,050,000	27,855,335

Dividend Record—

*To January 22.

	1926 H	1926 L	1927 H	1927 L	1928 H	1928 L
Stocks	622	500	475	436	570	570

Can. Fairbanks-Morse

Canadian Fairbanks-Morse is mainly engaged in manufacturing equipment for industrial and agricultural purposes. Plants are located at Sherbrooke, Toronto and Montreal; warehouses are located at all the chief cities of the Dominion. The harvesting of another bumper crop in the west makes the outlook for the company for 1929 the more favorable.

Capitalization—

	Authorized	Outstanding
Pref. 6% cum. (Par $100.)	$1,500,000	$1,500,000
Common shares (No par value.)	125,000	80,000

Funded Debt— None.

Dividend Record— Preferred 3 per cent. each six months, payable Jan. 15 and July 15. Passed for years 1924, 1925 and 1926. Resumed by payment of 1½ per cent., April 15, 1927. On arrears 3 per cent. paid Nov., 1927, Apr., July and Oct., 1928, and 6 per cent. Dec., 1928, which discharged arrears on these shares.

Common, 1917, 27¼ per cent.; 1918, 18 per cent.; 1919, 8 per cent.; 1920, $2.64 per share. None since.

Officers and Directors—

Officers—Thos. McMillan, pres.; H. J. Fuller, chairman; P. C. Brooks, vice-pres.; H. F. Walker, vice-pres., sec. and treas.; T. M. Cullen, asst.-treas.; C. J. Brittain, vice-pres. and sales manager.

Directors—H. J. Fuller, P. C. Brooks, New York; C. J. Brittain, Thomas McMillan, C. H. Morse, W. E. Miller, R. H. Morse, F. M. Boughey, Chicago.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Net earnings	461,263	324,701	244,014
Less:			
Interest	19,830	32,012	39,002
Pension fund	15,913	16,898	14,146
B. debts & tax	37,342	31,131	35,231
Deprec.	41,663	24,058	32,961
	117,748	104,099	121,340
Net profit	343,515	220,602	122,670
Less approp.:			
Red. on surp.	......	93,542	5,865
Pref divs.	90,000	......	......
Div. arrears	45,000	......	......
	135,000	93,542	5,865
Surp. for year	208,515	127,060	116,805
Add prev. surp.	1,949,047	1,821,986	1,705,182
Bal. carr. for.	2,157,562	1,949,046	1,821,987

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Pref.	104	80	103	100	..	..

*To Jan. 22.

Robt. Mitchell

An idea of the progress made by the Robert Mitchell Co., Ltd., in the last year is shown by the fact that the first preferred stock offered to the public with a bonus of common stock as recently as March, 1928, has been called for redemption. As the second preferred stock previously had been converted into common the capitalization of the company hereafter will consist only of common shares. The first preferred stock is convertible into common.

Common stock, originally placed in the hands of the public as a bonus with the preferred stock, sold in 1928 as high as $46.50.

The company on its own account and through its subsidiaries, including the National Bronze Co., manufactures bronze bearings for railway cars, architectural bronze and hammered and wrought iron work, grills revolving and swing doors, etc. The company has the Canadian right to manufacture and market a number of products including the Cutler nail chutes for which there is an increasing demand in Canada. The company also carries on a general jobbing, iron and brass foundry business and is a contractor for plumbing, heating and ventilation work.

The company is one of the oldest in Canada, being founded in 1851. The present company was incorporated in 1924, but there was not a public interest in the stock until 1928.

Current earnings are known to be satisfactory, and the outlook is considered promising.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	50,000 shs.	35,000 shs.

Preferred stock called for redemption Dec. 1, 1928.

Funded Debt— None.

Officers and Directors— A. M. Mitchell, pres., treas. and man. dir.; S. C. Holland, vice-pres. and gen. mgr.; H. M. Kennedy, vice-pres.; A. Broomer, compt. and sec.; A. J. Charlton, F. Hay, F. B. Comman, G. W. Scott, D. I. McLeod. In Feb., 1929, A. J. Charlton will resign and the board will be increased by the addition of J. P. Linton and H. J. Roast.

Income and Surplus Account, Years Ending Dec. 31

	1927 $	1926 $	1925 $
Sales	$1,720,845	2,151,138	1,404,323
Less:			
Cost of goods & overh'd exp.	1,581,108	1,981,154	1,332,967
Net earn.	139,736	169,983	71,356
Less:			
Deprec. based on apprais. val.	31,868	31,868	38,868
Net profit *	107,868	138,115	39,487

* Before providing for income tax.

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	46½	26	66½	41
Preferred	125	95	155	155

* To Jan. 22.

Port Hope Sanitary

One of the most conservatively financed Canadian companies is Port Hope Sanitary Manufacturing Company, manufacturers of bathroom equipment, plumbers' fittings, etc. The company's net profits available for dividends have been growing constantly for a number of years, and it was not until 1928 that the improved position of the company resulted in a split in the common shares and an increase in the dividend rate.

There has been little activity in the stock since the split, but in view of the continued good management of the company, the popularity of its products, and the outlook for the Canadian construction industry, it is reasonable to assume gradual further appreciation in the value of the common shares.

The preferred and common stocks of this company are not now active issues on the Toronto Stock Exchange owing to the fact that most of the holders have put their certificates in strong boxes to be retained as more or less permanent investments.

The company is virtually the only one of its kind operating in Canada which is entirely independent of a parent company in the United States. It is a tribute to the management that the company has been successful in the face of competition of companies which have the advantage of United States connections in the development of new patterns, products and the sharing of expense of advertising.

Earnings in the last six or seven years have been put into plant and equipment at Port Hope, Ontario, and it is now stated that the plant is one of the most efficient of its kind.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	75,000 shs.	36,340 shs.

Funded Debt— None.

Dividend Record— New common $2 per share per annum, payable quarterly, Mar., June, Sept. and Dec. 1.

Officers and Directors— J. A. Kilpatrick, pres.; Fred Armstrong, vice-pres. and gen. mgr.; J. S. Owens, sec.; F. J. Neale, D. M. Galloway, C. L. Jobb, W. A. H. MacBrien, G. Kilpatrick.

Income and Surplus Account, Years Ending January 31

	1928 $	1927 $	1926 $
Net op. profits	262,626	308,723	239,692
Other profits	27,269	20,870	11,045
Total	289,895	329,593	250,737
Less:			
Income tax	13,182	12,633	20,819
Depreciation	82,372	63,110	54,762
Prov. for obsol.	75,000	74,000	......
Pl. & eq. ext.	......	74,000	77,000
Writ. off g. w.	......	......	99,999
Net profits	119,341	105,850	*1,843
Less approp.:			
Pref. divs.	17,458	17,458	17,458
Com. divs.	35,601	22,485	......
Surp. for year	66,282	65,907	*19,301
Add pr. surplus	100,280	34,373	53,674
Bal. car. for.	166,562	100,280	34,373

* Deficit.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1920-21	$ 69,292	$ 87,593	$ 54,592
1921-22	91,211	31,920	75,928
1922-23	203,785	76,890	49,130
1923-24	198,407	28,442	49,829
1924-25	181,928	19,524	53,674
1925-26	239,692	17,458	34,373
1926-27	308,723	39,943	100,280
1927-28	262,626	53,059	166,502

Market Record—

	1928 H	1928 L	1928 H	1928 L	*1929 H	*1929 L
Pref.	195	118	195	120	...	...
Com.	265	190	†65	50	60	58

*To January 22.
†New stock.

Enamel and Heating

Enamel and Heating Products, was formed in the spring of 1928 to acquire and operate the Charles Fawcett Company of Sackville, N.B., and the Amherst Foundry Company of Amherst, N.S. The Fawcett Company manufactures coal and wood ranges, gas ranges, heating stoves and furnaces. The Amherst Foundry manufactures porcelain enamelled bath tubs, sinks, basins and other products under the name "Beaver brand." The market for the output extends from Halifax to Vancouver and the company has warehouses at Montreal, Toronto, Winnipeg and Vancouver.

Current earnings are understood to be satisfactory, and sales of enamel ware, in particular, have shown a substantial increase.

The shares of Enamel and Heating Products have been listed on the Montreal Stock Exchange, and are traded in the neighborhood of 32.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	50,000 shs.	29,000 shs.

Dividend Record— $2 per share per annum. Initial payment of 50 cents made Aug., 1928.

Officers and Directors— C. A. Lusby, pres.; N. A. Hester, man. dir.; Charles W. Fawcett, William K. Knight, N. L. Avard, C. C. Avard, H. Beverley Robinson.

Market Record—

	H	L	1928 H	1928 L	*1929 H	*1929 L
Stocks			38	30	34	32

*To Jan. 30.

Standard Steel

Welland Company is New in Field of Public Investment

One of the latest companies in the steel group to become of public investment interest is the Standard Steel Construction Co. with head office at Welland, Ontario, and a plant at Port Robinson, four miles north of Welland on the Welland Canal. The company has been in existence since 1912 and has carried on the business of designing, manufacturing and erecting all kinds of steel structures and of manufacturing steel products such as bins and hoppers. The company also warehouses and distributes steel in all forms. The plant is well designed and there is room on the site for expansion. The company in 1928 completed a new fabricating shop of fireproof construction, and it is believed that this materially will add to the profits of the company.

Following an American practice the preferred shares of this company are without nominal or par value. The fixed dividend rate is three dollars per share per annum. At this rate the offering price of $42 per share gives a yield of better than seven per cent. With each ten shares of preferred stock purchasers are given two shares of common of no par value.

In view of the fact that there are only 25,000 shares of both classes of stock to be outstanding there will not be a broad market interest in this security. Subject to this, however, it is reasonable to expect the investment to be satisfactory.

Capitalization—

	Authorized	Outstanding
Common (No par value.)	15,000 shs.	15,000 shs.
Pref. class "A" (No par value.)	10,000 shs.	10,000 shs.

Funded Debt— None.

Dividend Record— On class "A" preference, $3 per share per annum, payable quarterly Jan., Apr., July and Oct. 1.

Earnings— Net earnings after all charges, including provision for depreciation and available for federal income tax and dividends as follows:

	1926 $	1927 $	1928 $
Earn. from oper.	56,888	76,756	156,950
Depreciation	11,256	13,549	18,974
Net earn.	45,632	63,206	137,976

Russell Motor

Company in Sound Position, While Subsidiaries Improve

Russell Motor Company owns all of the stock of Canada Cycle & Motor and Canadian Acme Screw & Gear Company. It also owns approximately one-third of the stock of Willys-Overland of Canada, Ltd. Russell Motor Company's investments in securities other than the stock of subsidiary and affiliated companies are growing rapidly.

Earnings of Canada Cycle & Motor have been fairly well stabilized, and dividends paid to the parent company, added to the revenue from the parent company's outside investments, seem to assure continuance of the dividends on the preferred stock of Russell Motor.

It is understood that in the last year the position of Canadian Acme Screw & Gear Company has improved greatly along with the other companies manufacturing parts for automobiles. Thus the revenues of Russell Motor have been increased from this source and enabled Russell Motor to increase the dividend rate on the common stock of that company.

Overland is Potential Asset

Russell Motors so far have not received any revenue from Willys-Overland of Canada. But it is understood that an original investment of about $1,500,000 has been written down to about $200,000. Willys-Overland of Canada has been ploughing back its earnings into plant and equipment, and it is possible that at some future date it may be able to pay substantial dividends on its stock. One-third of its dividends will go to Russell Motor.

Russell Motor preferred stock is participating after the common stock has received seven per cent. Thus the Russell Motor stock has some attractions at this time as a speculation in addition to being an investment stock of some merit.

Capitalization—

	Authorized	Outstanding
Common	$800,000	$ 800,000
Pref. 7% cum.	1,200,000	1,200,000

Funded Debt— None.

Dividend Record— Preferred paid quarterly, Feb., May, Aug., and Nov. 1. 29¾ per cent. Nov., 1917, in full of all arrears. Common 7 per cent. paid from Aug., 1911, to Feb., 1913, inclusive; 7 per cent. paid Nov. 1, 1917; 7 per cent. Aug., 1918 and 1919. Reduced to 1 per cent. Jan., 1922. None paid until Aug., 1922, 1¼ per cent. Next paid 3 per cent. Aug. 2, 1926, for year ended July 31, 1926; 1¼ per cent. for 5 months ended Dec. 31, 1926, paid Feb. 1, 1927. 4 per cent. paid Feb., 1928; 2 per cent. Aug., 1928; 2 per cent. and a bonus of 1 per cent. paid Feb., 1929.

Officers and Directors— T. A. Russell, pres. and gen. mgr.; A. E. Ames, vice-pres.; E. B. Ryckman, J. N. Shenstone, H. D. Scully, J. W. Gibson, J. W. Widdup, G. W. Suggitt, sec.

Income and Surplus Account, Years Ending

	Dec. 31 1927 $	To Dec. 31 *1926 $	July 31 1926 $
Net profits	123,274	56,449	118,701
Less approp.:			
Pref. divs.	84,000	35,000	84,000
Com. divs.	32,000	10,000	24,000
Surp. for year	7,274	11,449	10,701
Add prev. surp.	542,189	530,739	520,038
Bal. car. for.	549,463	542,188	530,739

*For 5 months.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$628,581	$140,000	$ 536,162
1919	457,878	140,000	854,000
1920	339,453	140,000	1,053,494
1921	158,124	140,000	1,071,618
1922	117,499	116,000	473,118
1923	90,551	84,000	479,669
1924	92,864	84,000	488,533
1925	115,504	84,000	520,037
1925	118,701	108,000	530,738
1926*	56,449	45,000	542,188
1927	123,274	116,000	549,463

*For 5 months to Dec. 31.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	60	52	75	56½	85	82
Pref.	99	90⅛	106	97½	108	100

*To January 22.

Willys Overland

Capitalization—

	Authorized	Outstanding
Common (Par $100.)	$3,000,000	$3,000,000

$800,000 of this stock is owned by Russell Motor Car Co., and the remainder by Willys-Overland.

Officers— T. A. Russell, pres. and gen. man.; L. A. Miller, vice-pres.; J. H. Gerkins, treas.; W. P. McQueen, sec.

Directors— John N. Willys, chairman of board; H. J. Leonard, L. A. Miller, Gordon Mather, Toledo, Ohio; T. A. Russell, A. E. Ames, Toronto.

Service Station Equip. Company

Service Station Equipment Co. is increasing its earnings and activities at a fairly rapid rate. The management is efficient and the stock is well distributed. For this reason the outlook for the shareholders is quite good.

Capitalization—

	Authorized and Outstanding
Class "A," no par value	98,220 shs.
Class "B," no par value, voting	25,000 shs.
Pref. 6%	$1,500,000

Funded Debt— None.

Dividend Record— Dividends on Class "A," $1.60 per annum, payable 40c. quarterly, Jan., Apr., July and Oct. A bonus of 40c. paid Jan. 2, 1929. Class "B," 40c. paid Jan., 1929. Preferred 6% per annum, payable quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors— A. L. Elsworth, pres.; H. W. Knight, vice-pres. and sec.-treas.; F. J. Mays, acting treas.; Alex. Dawson, H. R. Tudhope.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	38	31	45	37½	79⅛	58
Pref.	..	..	120¼	109	140	121¼

*To January 22.

Can. Locomotive

Outlook Never Brighter, Says General Manager—Active Year Forecast

Canadian Locomotive Co., Kingston, is sharing in the orders being distributed at present by the Canadian railways and 600 men are employed at the plant. William Casey, vice-president and general manager, is quoted as saying that the outlook for the company was never brighter. A year of continuous activity is forecast.

The company recently completed a 9,000-ton oil-electric locomotive for the Canadian National Railways. Further orders cannot be expected until the first locomotive has proved its worth, but, in the meantime, the plant is busy on other locomotives of more orthodox types.

In order to diversify its output, the company has been manufacturing mining machinery. The results of this activity have been fairly satisfactory, it is reported, and the outlook for the business is good.

Preferred stock of Canadian Locomotive has ascended considerably on few transactions in the last year. The common stock also has risen in value although an early dividend on the common probably is not to be expected.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$2,000,000
Preferred 7% cum. (Par $100.)	1,500,000	1,500,000

Funded Debt— Bonds, 6% 2,000,000 1,500,000. First mortgage, sinking fund. Due 1951, trustees hold $190,200.

Dividend Record— Preference paid quarterly, Jan., Apr., July and Oct. 1. Common first paid at rate of 6 per cent. per annum Oct., 1917, increased to 7 per cent. 1919, and 8 per cent. Jan., 1920, reduced to 4 per cent., July 1, 1922. Passed for quarter beginning Jan., 1925, and since.

Income and Surplus Account, Years Ending Dec. 31

	1927 $	**1926 $	‡1925 $
Net earnings	263,741	x46,694	166,549
Invest. income, etc.	52,698	94,226	68,329
Total	316,439	47,532	234,878
Less:			
Reserve for depr.	100,000	100,000	100,000
Bond interest	90,000	135,000	90,000
Net profits	126,439	*187,468	44,878
Less appropriations:			
Pref. dividends	105,000	157,500	105,000
Com. dividends	......	......	40,000
Bond S. F. res.	15,000	22,500	15,000
Surplus for year	6,439	*367,468	*115,122
Add prev. surplus	630,758	998,226	1,080,148
Adjustment items	......	......	33,200
Bal. carr. forward	637,197	630,758	998,226

* Deficit.
‡ For year ending June 30.
** For 18 months.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$667,936	$225,000	$ 929,415
1919	892,976	225,000	1,366,794
1920	367,969	250,000	1,210,984
1921	827,091	265,000	1,536,275
1922	*76,299	265,000	1,089,975
1923	7,401	185,000	807,377
1924	599,672	185,000	1,080,148
1925	284,878	145,000	998,225
1926	47,532	157,000	630,758
1927	316,439	105,000	637,197

* Loss.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	48	25	40	25	49	40
Pref.	89	70	87	75	92	84
Bonds	100	99	100	98¼	..	..

* To Jan. 22.

PRIMARY PRODUCERS WOULD BE HELPED

(Continued from page 25)

ous and, from a political viewpoint rather ruinous to chances of tariff reform. There are three primary producers of iron and steel in Canada, Algoma, at the Soo; Steel of Canada, at Hamilton; and the Dominion Iron and Steel, in Nova Scotia. Now Algoma and Steel of Canada are located in the coal famine area of Canada, and must import coal to use in their furnaces. Rather they must import the coal to make the coke which is required by the furnaces. On the other hand, Disco is supplied with coal from nearby mines. There is a duty of 50 cents per ton on bituminous coal entering Canada but in order to foster industry in the central provinces parliament has given drawbacks of 99 per cent. where the coal is used for coking and other purposes. This places Algoma and Steel of Canada on an even footing with Disco in smelting costs.

Maritimes Asks Advantage

But the Nova Scotia industry desires either the removal of the drawback or the granting of a 50 cent per ton bonus on Canadian coal used in the manufacture of iron and steel. In either case the present balance in the industry would be destroyed. If the drawback is removed, then Steel of Canada and Algoma must pay 50 cents per ton more for coal, or 7[illegible] cents more per ton for coke. The costs of producing iron and steel would be advanced very considerably. On the other hand the removal of the drawback would not disturb the costs of the Nova Scotia industry and therefore would give an advantage to Nova Scotia at the expense of Ontario. If a bounty were given, the result would be the same. True, the costs of the Ontario producers would not be increased, but those of the Nova Scotia furnaces would be lessened.

In these circumstances, it might seem best to leave the coal duties alone, but such a policy would not meet the requirements of the Nova Scotia steel industry, which claims to be, and no doubt is, under a severe geographic handicap in being more than 1,000 miles from the markets of central Canada.

Whatever changes may be made in the iron and steel tariff must apply to the whole industry and therefore will not improve Nova Scotia's position in comparison with that of Ontario. Yet the Nova Scotia industry feels that it is now being discriminated against and must be given individual assistance in order to be placed upon a level with competitors in Central Canada. About the only way this may be done is by changing the coal duties. Either an added tariff burden could be placed on the Ontario industry by the repeal of the coal drawback, or a special bonus could be given to the Nova Scotia steel industry by a subsidy on Canadian coal used in iron and steel production.

This is the problem in so far as the coal tariff enters into the picture and, obviously, it is not of a kind which lends itself to a simple solution.

But Government Could Help

And yet there are many ways in which the government can assist the iron and steel industry without disturbing the whole economic foundation upon which it has been erected. There appears to be no reason why the drawback on railway spiral spring steel should not be removed and duties of $4.25 B.P.; and $7 general tariff made effective. Likewise the tariff schedules covering angles and beams and structural steel might well be revised upward. As a matter of fact, a former government clearly intended to advance the duties on structural steel, and passed an order-in-council to that effect, but it never quite got into operation.

There are a dozen tariff changes which could be made and which would assist the primary industry without injuring the great secondary and tertiary industries that now occupy positions of great importance in the industrial life of Canada. Whether the government will seize these opportunities remains to be seen, but it seems certain that an effort will be made to assist the primary producers without throwing too heavy a burden upon the other industries of the country.

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Standard Clay

Outlook for Current Year is Considered to be Favorable

Standard Clay Products operates sewer pipe and fire brick plants at St. Johns, Que. Another plant is operated at New Glasgow, N.S. The company manufactures vitrified and fire clay products, sewer and culvert pipes, wall coping, flue linings, etc. The outlook for the current year is considered to be favorable. In 1927 the company paid a dividend of 3 per cent. on the common stock.

The company's bond issue is the only security senior to the common shares. There is not an active market for these shares, last available quotations were around 34.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$750,000

Par $100.

Funded Debt—
6 per cent. 1st mortgage bonds, due 1942, $750,000 .... $578,600

Dividend Record—
20 per cent. per annum paid annually, Feb. 15th, 1923 to 1926; 3 per cent. Feb. 15, 1927.

Officers and Directors—
W. C. Trotter, pres.; Lt.-Col. H. Molson, vice-pres.; J. P. L. Stewart, vice-pres.; C. S. Trotter, gen. mgr.; C. T. Trotter, mgr.; A. G. Winters, sec.-treas.; H. H. Blackader, asst. sec.-treas.; T. McAvity, J. W. Pyke, C. E. Archibald, H. B. McCulloch, Geo. McAvity, F. W. Molson.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Operating profit	119,027	130,797	125,828
Less:			
Bond interest	45,000	45,000	45,000
Deprec.	51,245	54,769	51,852
Prov. for inc. tax	1,683	......	......
Net profits	21,099	31,028	28,976
Dividends	22,500	15,000	15,000
Surp. for year	†1,401	16,028	13,976
Add prev. surp.	36,852	70,824	56,848
Goodw. writ. off	50,000	50,000	......
Bal. car. for.	85,451	36,852	70,824

† Deficit.
* Goodwill written off in 1926 but not allowed by income tax department. Written back in 1927.

Market Record—

	H	L	1928 H	1928 L	*1929 H	*1929 L
Stock			34½	33	..	..

*To Jan. 22.

Canada Foundries

Canada Foundries & Forgings, is understood to be experiencing much improvement in its operating results this year. As its output goes to the railway equipment and automobile manufacturers, the general prosperity of these industries should be reflected in the earnings of Canada Foundries.

The company's forge plant at Welland, has received an order for all the forgings and bushings for the new South Shore bridge at Montreal, and for nearly all the forgings on the bridges erected on the Welland canal. At present, the plant is working on large orders for axles received from the railroad companies.

Capitalization—

	Authorized	Outstanding
Class "A"	80,000 shs.	38,400 shs.
Class "B"	40,000 shs.	9,600 shs.

No par value.

Funded Debt—
First mortgage sinking fund, 6 per cent. bonds, due Feb. 2, 1942; interest payable 2nd Feb. and Aug., $223,900.

Dividend Record—
On the new "A" shares a dividend of 37½ cents a share was paid Jan. 15, 1929.

Officers and Directors—
W. M. Weir, pres.; Rt. Hon. G. P. Graham, vice-pres.; H. B. Housser, Lt.-Col. C. W. MacLean, C. N. Monsarrat, W. D. Robb, Jas. Arnold, H. J. Trihey, J. Gleeson, G. C. Edwards, E. S. Day, sec.-treas.

Income and Surplus Account Years Ending December 31

	1927 $	1926 $	1925 $
*Net earnings	125,819	140,553	76,364
Invest. income ...	......	36	27
Total	125,819	140,589	76,391
Less: Bond int. ..	13,434	13,434	13,434
In. on loans ...	11,794	12,478	12,984
Admin. exp.	27,048	25,310	26,006
Net profits	73,543	89,367	23,967
Pfer. div. arrears .	48,000	......	......
Surplus for year .	25,543	89,367	23,967
Prev. surplus ..	1,077,886	988,519	964,552
Bal. carr. for.	1,013,429	1,077,886	988,519

* After depreciation, repairs and bad debts.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$612,117	$182,400	$1,297,706
1919	242,062	182,400	1,285,222
1920	17,475	163,200	1,204,273
1921	*3,704	5,600	930,599
1922	74,342	......	947,912
1923	129,657	......	972,048
1924	52,692	......	964,551
1925	76,391	......	988,519
1926	140,589	......	1,077,886
1927	125,819	48,000	1,103,429

* Loss.

Can. Motor Lamp

Canadian Motor Lamp Co. was organized in 1927 to acquire a company operating a plant at Ford, Ont., which had been owned in the United States. Canadian Motor Lamp manufactures motor lamps for nearly every important motor car manufacturer in Canada, and has a well distributed business, it is said, with the jobbers in automobile accessories throughout the Dominion. An export business recently has been established, and it is believed that this can be developed further.

Capitalization—

	Authorized	Outstanding
Common	12,500 shs.	12,000 shs.
No par value.		
Pref. 7% cum. ..	$300,000	$225,000

Par $100.

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. Cumulative, payable July, Oct., Jan. and April 1. The shares also participate equally share for share with common stock, after $1 has been paid per share on outstanding common.

Officers and Directors—
Currier Lang, pres. and gen. mgr., Ford, Ont.; W. F. Anklam, Detroit, Mich.; G. P. Doll, Cincinnati, Ohio; Albert Matthews, Toronto; J. B. Macon, treas., Ford, Ont.

National Radiator

A price war which lasted for several months, at the time when the company was facing the difficulties usually encountered in the attempt to co-ordinate the sales and production of a merger, mitigated against early success of this enterprise. But there has been a change of management, and this was followed by a stabilization of prices within the industry. For this reason the outlook appears to have improved.

Capitalization—

	Authorized	Outstanding
Common	*500,000 shs.	270,000 shs.
Pref. cum. $7	90,000 shs.	60,000 shs.

No par value.

*Includes 180,000 shares to be reserved for conversion of the authorized preferred stock.

Funded Debt—
Sinking fund gold debentures, 6½ per cent., due 1947, $11,848,000.

Dividend Record—
Preferred $7 per share per annum, payable quarterly, Feb., May, Aug. and Nov. 1. First dividend paid, Nov., 1927.
On common initial dividend of 75 cents per share paid Dec., 1927, and Mar., 1928; none since.

Pressed Metals

One-Product Concern Has Shown Itself as Remarkably Stable Earner

Pressed Metals of America manufactures an exclusive type of bushing for internal combustion engines. The material and developed process enable the company to meet competition and show increasing profit despite lower prices. There is on this account, growing confidence in the merit of the investment.

Investors need to bear in mind, however, that this is a one-product industrial concern. Development of a new bushing or new type of motor engine by competing concerns might affect this company adversely.

In the past year there has been a split in the common stock which makes it more attractive for the average investor.

Capitalization—

	Authorized	Outstanding
Common	120,000 shs.	88,524 shs.

No par value.
In August, 1928, the common stock of 75,000 shares of $100 each was changed to 120,000 shares of no par value, on a basis of 4 shares of no par value for each common held; and for each preferred, 4 shares of no par value common, in lieu of the original right to convert one preferred for one common share.

Preferred	500,000	$319,500

Par $100.

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly. On new common, $1 per annum, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend of 25 cents paid Oct. 15, 1928.

Officers and Directors—
A. Pardoe, chm.; J. W. Leighton, pres.; C. C. Peck, vice-pres.; W. Dalziel, sec.-treas.; H. L. Nussbaum, asst. treas.; S. Goldsmith, A. Holden, M. Rosenberg.

Income and Surplus Account, Years Ending December 31

	1927 $	1926 $	1925 $
Oper. profits	166,178	127,587	64,795
Taxes, etc.	33,529	......	......
Less: deprec.	43,495	44,396	45,203
Net profits	89,154	83,191	19,592
Less approp.:			
Red. value of metal	......	......	2,371
Dividends	49,970	......	......
Surp. for year	39,184	83,191	17,221
Add pr. surp.	145,757	*62,566	58,125
Bal. car. for.	184,941	145,757	75,346

*Less $12,780 dividends paid by Pressed Metals Co. of Canada.

Six Years' Earnings—

Year	Earnings	Dividends	Surplus
1922*	$ 11,821	......	$114,851
1923†	103,244	......	182,617
1924	50,673	......	58,125
1925	64,795	......	75,346
1926	127,587	......	145,757
1927	166,178	49,970	184,941

*Year ended Feb. 28.
†Commencing Dec., 1923, figures of American Bushings included.

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	64	34¼	†21	17½	23½	19
Pref.	97	85	105	95	100	100

*To Jan. 31.
†New stock.

Sherwin-Williams

The activity in building and construction in Canada during the past twelve months has resulted in an increased demand for the products of the Sherwin-Williams Company of Canada. The company is the largest producer of paint in the Dominion, and is a predominant factor in the paint trade in Canada. Early in 1928, the company acquired a controlling interest in the Winnipeg Paint and Glass Co. This new connection provides a valuable addition to distributing facilities for the company's products in Western Canada.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$4,000,000	$3,400,000
Common	4,000,000	4,000,000

Par $100.

Dividend Record—
Preferred 7 per cent., payable quarterly, 1st January, April, July and October. Common 6 per cent., payable same dates as preferred. First common dividend paid January 1, 1921.

Officers and Directors—
W. H. Cottingham, chairman; W. S. Fallis, pres. and mgr. dir.; Geo. A. Martin, W. J. White, K.C.; F. A. Scott; W. S. Cottingham, W. C. Cottingham; D. A. Whittaker, vice-pres. and sec.-treas.; P. W. Hollingworth, asst. sec.-treas.

Income and Surplus Account, Years Ending August 31

	1928 $	1927 6	1926 $
Gross earn.	1,000,197	831,904	982,923
Less: Deprec. and renewals	140,638	141,069	201,737
Bond int.	......	27,919	108,867
Tax and pens.	86,687	68,876	50,439
Net profits	772,872	594,000	621,890
Less appropriations:			
Pref. divs.	240,625	240,450	240,450
Com. divs.	240,000	240,000	240,000
Pre. on bonds	......	......	153,970
Surp. for year	292,247	113,590	*12,530
Add pr. surp.	4,020,819	3,907,231	3,919,762
Bal. car. for.	4,313,066	4,020,821	3,907,232

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$ 990,070	$ 239,750	$2,684,051
1920	1,281,338	239,750	3,417,961
1921	255,021	419,750	3,420,150
1922	952,634	479,750	3,628,323
1923	1,073,607	479,750	3,919,001
1924	968,115	479,750	4,008,039
1925	907,239	480,275	3,919,763
1926	982,933	480,450	3,907,231
1927	831,904	480,450	4,020,821
1928	1,000,197	480,635	4,313,066

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	204	142	185	159	230	184½
Pref.	127	117	129	115	125	115

*To Jan. 22.

Canada Iron

Though earnings of the Canada Iron Foundries for 1928 are not expected to show a material increase over the previous year earnings for the current year will reflect the increased activity in the company's plants, due to orders for equipment placed by the railroads.

Capitalization—

	Authorized	Outstanding
6% non-cum. pfd	$4,500,000	$3,877,800
Common	1,800,000	1,598,800

Par $100.

Funded Debt—
6 per cent. first mortgage debenture stock, due 1939, $560,000.

Dividend Record—
4 per cent. paid on preference in 1920; 4 per cent., 1921; none thereafter until Dec., 1923, when 2 per cent. was paid; 3 per cent., Jan., 1925; 4 per cent., Jan., 1926, Jan., 1927, and Apr., 1928. None paid on common.

Officers and Directors—
Oficers—F. Perry, chairman of board, pres.; C. L. Jobb, vice-pres.; M. J. McLean, sec.-treas.
Directors—J. T. McCall, F. Perry, C. L. Jobb, Montreal; F. B. Richards, Cleveland, Ohio; T. McHutchison, Montreal.

Income and Surplus Account Years Ending September 30

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$617,358	$	$ 6,866
1919	589,043	......	166,356
1920	652,946	155,112	144,855
1921	300,842	155,112	55,522
1922	115,350	......	1,084
1923	348,518	77,556	2,846
1924	339,769	116,334	19,152
1925	350,209	155,112	21,142
1926	320,027	155,112	4,854
1927	454,820	155,112	34,198

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	28	12	32	25	29	29
Pref.	60	42	80	60½	80	78¼

* To Jan. 22.

Hamilton Bridge

Company is Working Its Way Out of Unprofitable Welland Canal Contract

Hamilton Bridge Company has worked its way through the unprofitable contracts which were secured early in 1927. These contracts have retarded the company's earnings.

Hamilton Bridge stands to benefit from the construction work which is contemplated in the districts in which the company's plants are located. Tenders for steel ore being let by J. R. Moody Company, Canadian Cottons, Zimmerknit, Mercury Mills, Firth Brothers, International Harvester and Hamilton Cottons. The expansion programme of the Steel Company of Canada which calls for an outlay of $8,000,000, will probably further benefit the Hamilton Bridge Company.

The plant capacity at Hamilton is estimated at 48,000 tons, but at its current rate of operations, it is thought this figure will be exceeded.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	50,000 shs.
No par value.		
1st pref. 6½%	$5,000,000	$2,250,000
2nd pref. 7½%	800,000	800,000

Par $100.

Funded Debt—
None.

Dividend Record—
1st preferred 6½ per cent. per annum, cumulative, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend paid May 1, 1928.
2nd preferred, 7½ per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Initial dividend paid May 1, 1928. None paid on common.

Officers and Directors—
J. Playfair, chm.; W. I. S. Hendrie, pres.; P. M. Ross, vice-pres.; W. B. Champ, vice-pres. and mgr. dir.; A. E. Martin, treas.; F. G. Wilson, sec.; W. E. Phin, Hon. C. S. Mewburn, K.C., V. M. Drury, G. Barr, J. A. Richardson, G. Cottrelle.

Earnings—Net earnings of the Hamilton Bridge Works Co., for 18 years ending Dec. 31, 1927, averaged $160,644; for the year 1927, net earnings were $300,318, equivalent to $13.35 on the 1st preferred; $19.26 on the 2nd preferred, and $1.85 on the common.

Market Record—

	1928		*1929	
Common	49½	23	69	37¾
1st preferred	92	88	92	89½

*To Jan. 30.

Can. Paving & Supply

New Company Dominates Industry Near Border Cities

Canada Paving & Supply Corp. is a merger of twelve of the leading paving, contracting and builders' supply companies in the Border Cities district. The new company dominates its particular line of business in the Southwestern peninsula of Ontario. Through its control of sand and gravel deposits, estimated to contain 13,000,000 cubic yards, at Point Edward and Leamington, it is placed in a strategic position as regards competition. Five gravel ports with complete equipment are owned or held under long-term leases in Windsor and Ford, Ont.

The corporation's subsidiaries all are old-established companies. Activities include contracting for pavement, sewers, water mains, gas mains, buildings, foundations and excavations, sale and transport of sand and gravel, gravel dredging, manufacture of sand bricks, concrete blocks and artificial stone, and the sale of coal, wood, coke, cement, lime and builders' supplies generally.

While the investment in this company is not yet seasoned, the convertible cumulative first preference shares probably are suitable to be included in the diversified list of investments by a business man. A fairly active market in the common and preferred shares seems to be assured.

Capitalization—

	Authorized	Outstanding
Common	‡170,000 shs	60 000 shs.
No par value.		
1st pref. cum. ...	$2,000,000	$2,000,000
Par $100.		
2nd pref. non-cum.	1,250,000	1,250,000

Par $100.

‡ Of these 110,000 shares are to be reserved to the extent necessary to provide for the exercise of the conversion privilege of the first and second preference shares.

Funded Debt—
None.

Dividend Record—
1st preferred 7 per cent. per annum, payable quarterly, Mar., June, Sept. and Dec. 1.

Officers and Directors—
T. Chick, chm.; L. A. Merlo, pres. and man. dir.; J. D. Chick, D. H. Woollatt and G. Cross, vice-presidents; I. Lambert, sec.-treas.; J. H. Ray, L. J. Ryan, D. I. McLeod.

Dominion Glass

Government Control Has Increased Demand for Products

In the last few years Dominion Glass Company has made great progress. The introduction of government control in certain provinces has materially increased the demand for bottles from distillers and brewers. As the company is predominant in this field, it has managed to secure the major portion of this business.

Similar improvement has taken place in other lines of glass-ware. The Montreal, Hamilton, Redcliffe, and Wallaceburg plants have all been working at, or near, capacity. The Toronto plant is still inactive.

During the fiscal period ended September 30, 1928, the company's position underwent a decided and substantial betterment. Patents and goodwill were written down by $400,000, and now stand at $2,706,000. The property account is carried at $5,277,000 an increase of over $200,000 during the year.

No Confirmation of Sale

The rumors of a sale of the company which accompanied a recent market appreciation in the stock, lack official confirmation. The possibility of a deal is not new. There is no doubt that the company would receive an excellent price for its shares in the event of a deal. Some time ago negotiations were under way with the Owens Bottle interests of the U. S., but nothing was consummated. In the meantime, the market for the company's shares has kept pace with the potential value of the stock in the event of a sale of the property, which has certainly increased substantially in value during the past few years.

Capitalization—

	Authorized	Outstanding
Common	$50,000,000	$4,250,000
Pref. 7% cum. ...	3,000,000	2,600,000

Par $100.

Funded Debt—
First mortgage 6% bonds due 1933, $857,200.

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1. Common 7 per cent. per annum, payable quarterly, same as preferred.

Officers and Directors—
Officers—Sir Charles Gordon, C.B.E., pres.; Wm. McMaster, vice-pres.; J. W. King, gen. mgr.; Mervyn Offer, comptr. and sec.
Directors—Sir Charles Gordon, C.B.E., Wm. McMaster, T. B. Macaulay, F. G. Daniels, Abner Kingman, Ross H. McMaster, Walter Molson, N. M. Yuile, Montreal; R. King, Toronto, F. W. Ross, Que., J. W. King.

Income and Surplus Account, Years Ending September 30

	1928 $	1927 $	1926 $
Net earnings ..	664,702	637,389	661,586
Less:			
Bond interest	55,790	61,975	170,000
Net profits	608,912	575,414	491,586
Less appropriations:			
Pref. divs. ..	182,000	182,000	182,000
Com. divs. ...	297,500	297,500	297,500
	479,500	479,500	479,500
Surplus for year	129,412	95,914	12,086
Add prev. surp.	1,174,256	1,078,342	1,066,256
Bal. carr. for.	1,303,668	1,174,256	1,078,342

Market Record—

	1927 H	1927 L	1928 H	1928 L	*1929 H	*1929 L
Com.	144	103	163	122	200	152
Pref.	121	111⅞	130	119	125	125

* To Feb. 4.

Foundation Company

The Foundation Company of Canada will show a larger volume of business carried out at the end of its first fiscal year, April 30, 1929, than in any other year in the history of the company. It is thought that profits will be equally satisfactory. Indications point to 1929 being a prosperous year in the construction industry. There is already enough business on the company's books to keep it busy for the entire year.

The issue of first preferred stock constitutes the sole investment interest in Foundation Company; all the second preferred stock is owned by the parent company in New York.

Capitalization—

	Authorized	Outstanding
Common	$200,000	$200,000
Pref. 1st, 7%	200,000	200,000
Pref., 2nd, 7%	250,000	250,000

Par of common, $25; par of preferred, $100.
All of second preferred and majority of common are owned by the Foundation Co. of New York.

Dividend Record—
Regular dividends on 1st and 2nd preferred paid from date of issue; payments quarterly, Feb., May, Aug. and Nov. 15.

Officers and Directors—
V. M. Drury, pres.; R. E. Chadwick, vice-pres. and gen. mgr.; A. J. Brown, Franklin Remington, E. R. Decary, W. F. Angus, H. J. Deutschbein, C. B. McNaught, N. A. Timmins, F. H. Phippen.

Waterloo Mfg.

Waterloo Manufacturing Company became of public investment interest in the latter part of 1928 when 60,000 shares of class "A" no par value stock was offered the public at $17 per share. There has been substantial appreciation in the market value of these shares since that time. The company is the successor to a company which was established more than 75 years ago. The business has grown and the outlook is promising. The principal product of the company is a threshing machine which is highly regarded by the agricultural communities. It is understood that the company is planning to expand in other directions while continuing to manufacture its threshing machine.

Capitalization—

	Authorized	Outstanding
Class "A"	100,000 shs.	60,000 shs.
No par value.		
Class "B"	27,500 shs.	27,500 shs.

No par value.
21,850 Class "A" shares of stock are being offered at $20 a share on the basis of one new share for each four shares held. This offer goes to both Class "A" and Class "B" shareholders.

Funded Debt—
None.

Dividend Record—
An initial dividend of 25 cents on the Class "A" stock was paid Aug. 1, 1928, and quarterly since.
On Class "B" shares a dividend of 50 cents was paid Feb. 1, 1929.

Officers—
C. W. Snider, pres.; W. W. Shanrz, sec.

Market Record—

	1928 H	1928 L	x1929 H	x1929 L
Class "A" ...	28	16	39	26

xTo January 30.

Anglin-Norcross

The contract for the erection of the New Bank of Commerce, head office building in Toronto, which has been let to Anglin, Norcross and Company, is an indication of the abilities of this firm. The general industrial activities in Canada during the past year have provided Anglin-Norcross with a large volume of business, and the outlook for 1929 is excellent. The organization of the company is such that it has been able to take advantage of the great expansion in building activity, and earnings have been satisfactory.

Investment interest in the company is confined to a small issue of preferred stock, which is held by about 100 shareholders.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Pref. 7% cum. ...	1,000,000	312,000

Par $100

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. per annum, payable semi-annually, about April and Oct. 15.
No dividends on common.

Officers and Directors—
J. P. Anglin, pres.; H. J. Gross, vice-pres. and treas.; C. D. Harrington vice pres. and mgr.; G. A. Lowles, sec.; L. L. Evans, pur. agt.; W. S. Leslie, A. O. Dawson, A. H. Vipond, G. W. Birks, H. J. Gross.

Income Account, Years Ended Feb. 28

	1928 $	1927 $	1926 $
Gross profits	138,487	157,848	124,231
Oper. exp., etc. ...	95,692	95,334	86,257
Net earnings	42,795	62,514	37,974
Income tax, etc.	3,191	5,084	3,966
	39,604	57,430	34,008
Pref. divs.	21,840	21,840	21,840
Surplus for year ..	17,764	35,590	12,168

Carriage Factories

Carriage Factories, Ltd., is in process of liquidation. The company does not owe any money, but its assets cannot be distributed to the shareholders until such time as the large factory at Orillia can be sold.

Capitalization—

	Authorized	Outstanding
Common	$1,200,000	$1,200,000
Par $100.		
Preferred	2,000,000	1,020,000

Par $88.
In Sept., 1927, a by-law was passed to reduce the capital by making a return of capital to the extent of $15 upon each share of preferred stock.

Aerocrete Corp.

The Aerocrete Corporation of Canada has concluded a satisfactory year and its products are getting firmly established in the construction field. The corporation is a holding company only, controlling Aerocrete, Montreal, and Aerocrete, Vancouver. The Montreal company has expanded during the past year, and is operating a plant in Quebec, in addition to its present one in Montreal. The company maintained a plant in Ottawa to supply its products during the construction of the addition to the Chateau Laurier. This plant was closed on completion of the work.

The company's products consist of a porous concrete made of the same principal materials as ordinary concrete. However, 70 per cent. of its volume is made up of small, evenly-distributed cells which give the material a structure resembling a honey-comb. The introduction of gas cells in the mass produces the qualities of Aerocrete, namely, lightness, insulation value, sound-deadening and fire resistance. The importance of light and durable building material is emphasized in the building industry, as light weight reduces the dead load of the building, and results in considerable saving in foundation, transportation and erection costs.

In 1920 there were seventeen Canadian automobile plants, which produced cars and parts valued at $101,465,000. In 1927, there were only eleven plants, but they produced cars and parts valued at $128,700,000.

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Net Profits for 1928 of $1,046,788.69 Constitute Another Record.

$500,000 added to Reserve Fund Which Now Amounts to $8,000,000, Being $1,000,000 in Excess of the Paid-up Capital.

Assets Increased by $3,500,000, Making a Total of $67,167,242.25.

New Seventeen Storey Office Building Being Erected at Corner Bay and Adelaide Streets to be Occupied Before End of Year.

Proceedings of the Annual General Meeting of Shareholders Held Thursday, January 31st, at the Head Office, Toronto.

The President, Mr. W. G. Gooderham, moved the adoption of the Directors' Report and said:

The Report and Financial Statement which your Directors have had the pleasure of submitting with reference to the business of 1928, we feel confident will be received by the Shareholders with a gratification corresponding to the satisfaction the Directors have had in being able to present so favourable an exhibit.

The Net Profits were again the largest in the history of the Corporation, and were equal to about Seven per cent. on the combined Paid-up Capital and increased Reserve Fund. The total Assets have increased during the year by upwards of three and one-half million dollars. While falling far short of the extraordinary increase which took place in 1927, we consider this very satisfactory in view of the greatly altered financial conditions which prevailed during the larger portion of 1928.

The addition of another half million dollars to our Rest, bringing it to the impressive sum of Eight million dollars, also affords us much gratification.

I shall, as usual, leave to the General Manager all references to the details of the Statement, as well as the fuller consideration and discussion of economic conditions by which our and other businesses have been affected, and shall limit my remarks to two or three observations of a general nature.

The first of these is with reference to the continuance of a monetary trend to which I have referred on previous occasions. In addressing you last year I said "Great Britain continues to be a dear market for money." There is no reason to modify this statement. The experience in disposing of Canadian bonds was about the same in 1928 as in 1927. Of the reported sales aggregating $439,516,296, the Ontario Government was able to place an issue of $9,733,333 (£2,000,000) in Britain and Corporation bonds to the amount of $5,293,500 were sold on the other side, making a total of $15,026,833 taken by British investors. As against this, bonds to the amount of $217,761,000 were sold in the United States and $206,738,463 in Canada.

Though we offered a higher rate of interest in Britain than we were paying for Canadian debenture money, it was inadequate to secure the renewal or replacement of all Sterling debentures which matured. The aggregate of our outstanding debentures payable in Great Britain is, consequently about £230,000 less than at the close of 1927.

It would seem that Canada must be prepared, for the present and immediate future at all events, to continue to finance its own needs, or to secure its required funds on this side of the Atlantic; and that we may expect the item of Sterling debentures to be a diminishing quantity in our Annual Statements. While there may be a difference of opinion as to whether or not this is unfortunate, we accept the situation with regret.

Fortunately, reductions in British money have been much more than offset by increases in the Corporation's Canadian funds, which now aggregate $38,712,987, an increase of more than $25,000,000 during the past five years. In the same period the amount of our debentures payable in Britain has decreased by about $2,500,000, or ten per cent. of the increase in the aggregate of moneys obtained in Canada.

What we principally feel with respect to the situation is, therefore, one of regret at the weakening of the inter-empire relationship. We should not only feel a satisfaction in seeing British funds again seeking investment in Canada but it would be a source of gratification if our need of population were being met to a greater extent by British immigrants. The volume of immigration in 1928 was again disappointing, and particularly so with respect to the proportion of British origin. We, therefore, welcome the recent assurance of the Minister of Immigration that we may expect an increased volume and proportion of immigrants from the British Isles during 1929 and shall await the outcome with much interest.

Our total trade has made a satisfactory increase of $270,000,000, about equally divided between exports and imports, the favourable balance remaining practically the same as for 1927. In one respect, however, as I indicated last year, we consider our trade is developing along unsatisfactory lines and an analysis of some of the trade statistics shows further intensification of these unfortunate features. The aggregate of our sales to the United Kingdom increased by $36,000,000 and to other portions of the Empire by $45,000,000, while in return our purchases were greater by $18,600,000 and $13,600,000 respectively. Great Britain purchased from Canada $255,000,000 more than she sold to us and other portions of the Empire took our goods to an amount exceeding our purchases from them by $291,000,000, an aggregate balance of trade against the Empire and in favour of Canada of $546,000,000. As against this, what was the position of our trade with the United States? Our unfavourable balance increased last year by $100,000,000 and reached the formidable sum of $333,000,000. While our sales to the United States were greater by $18,000,000, we increased our purchases from the United States by $118,000,000. As our imports from the United States consist to a large extent of manufactured goods, we consider this lop-sided situation an unfortunate one for Canada and for the Empire, which some concerted and persistent effort should be made to remedy. It is admitted that Canada is the best customer of the United States. Yet, the President-elect will assume office in March under a pledge to enact such legislation as will further curtail purchases of Canadian products. It seems that it would be good business on the part of Canadian citizens to increase their purchases of goods from the United Kingdom and other portions of the British Empire, as well as articles of Canadian manufacture, and to insist upon such governmental or other action as will bring United States legislators to a realization of the possible disadvantages of a policy which is too over-reaching. It may also be advisable through co-operation with the Empire Marketing Board, the British Trade Commissioners, and others who are interested, to endeavour to influence British manufacturers to supply goods which by more fully meeting the requirements of the Canadian market will have a better opportunity of displacing goods offered by the United States.

If it were likely to be of any use one would wish to offer an additional word of warning to those who apparently think the present wave of speculation can continue indefinitely. With the new era of prosperity upon which Canada has entered, well managed businesses, particularly those which are developing on a profitable basis our remarkable natural resources, must meet with a measure of reasonable success; and doubtless present valuations which the market has placed on their securities will in time be fully realized or surpassed. It is to be feared, however, that in many cases these valuations do not so much register an appraisal of existing values as they anticipate future development and expansion.

On the evening of the 16th December, Mr. William Mulock, K.C., who had been a Director of this Corporation and also of its associate Trust Company since December, 1917, was suddenly called by death. Very few were previously aware of the illness which in the end overcame him with a suddenness which was a shock to us all. Mr. Mulock evinced from the first a deep interest in the business of our two institutions, was conscientious in the discharge of the duties of his position and a helpful member of the Board, whose presence we shall continue to miss.

The vacancy was filled by the election to the Board of Mr. John A. Rowland, K.C., of Toronto.

I am sure you will now be pleased to hear from your General Manager, after which I shall present a motion for the adoption of the Directors' Report.

The General Manager, Mr. George H. Smith, then addressed the meeting as follows:

The predictions made a year ago by practically everyone who commented upon the subject, that 1928 would be a year of very considerable prosperity in Canada, have been justified beyond the anticipations then held. In almost every branch of activity very material advance was made over the preceding year and in many instances production was in excess of any previous year.

It is true the estimated value of Canada's field crops is somewhat less than that of either of the three preceding years, though it amounts to $1,100,000,000. Severe frosts which occurred in August somewhat reduced the yield of wheat and other grains in the Western Provinces, and very materially affected the quality. To the latter fact, combined with reduced prices, partially in consequence of a record yield of more than 500,000,000 bushels of wheat, is to be attributed a reduction of about $70,000,000 from the record values of 1927.

While referring to the situation of our agriculturists, which has very greatly improved as the result of four years of abundant crops, one must again voice regret and disappointment that progress which a few years ago was being made in the direction of greater diversification of western farming activity has been waning. There is a smaller live stock population than two years ago and dairying, which for a time promised at an early date to become an important western industry, has fallen considerably behind its previous performances. Some features which may be considered encouraging are increased numbers of sheep, of which we should like to see many more on the prairies, greater poultry production, and an increased acreage and yield of barley, a cereal for which there appears to be a growing demand.

Favourable climatic conditions contributed both to rapid harvesting and early marketing of the crops and grain exports have exceeded any previous season.

While no one who pretends to have any knowledge of business and economic conditions would under-estimate the importance of Canada's great basic industry of agriculture, we possibly do not sufficiently realize the extent of the development which has taken place in what is usually designated the industrial field. The Minister of Trade and Commerce is authority for the statement that the production of manufacturers in 1928 has approximated $4,000,000,000, a material increase over the previous year and about $1,500,000,000 in excess of 1922.

New construction is probably the greatest factor contributing to general prosperity, providing as it does employment in the production of building materials over widespread areas and periods long antecedent to the actual erection of the buildings, and also creating a demand for the many classes of goods which are required to furnish and equip the various classes of structures when completed. New construction contracts in 1928 are estimated to have exceeded the previous year by about 19 per cent. and to have amounted to the large aggregate of $453,000,000.

Notwithstanding the unsatisfactory position of the pulp and paper industry, due to over-expansion of manufacturing capacity, rather than to over-production as is sometimes inaccurately stated, both production and exports materially increased, the latter having been about $17,500,000 in excess of 1927.

Our mineral output again exceeds all previous years, aggregating $271,000,000, a gain of nearly ten per cent. over 1927. Canada's position may be epitomized as "first in nickel, first in asbestos, second in cobalt, third in gold, third in silver, fourth in lead and copper, and sixth in zinc, among the World's producers." It is not too much to say that Canada's present enviable position in the mining world gives promise of an even brighter future.

During 1928 an additional 550,000 horsepower of hydro-electric development were brought into operation, the total for the Dominion now being 5,328,000 horsepower, with a further 1,200,000 horsepower under construction.

Some increase in production took place in the lumber industry, under slightly more favourable conditions. Fisheries both on the Atlantic and the Pacific coast were of greater monetary value than in 1927. Canadian production of both pig iron and of sheet ingots and castings were about forty per cent. in excess of the previous year. Production of flour increased by ten per cent. and the quantity exported showed an even greater expansion. Employment throughout the year continued in much greater volume than in any other year since the compilation of statistics was begun in 1920.

A considerably increased volume of our grain passed out of the country by Canadian ports. Montreal maintains its position as the leading grain port on the Continent. The number and tonnage of vessels sailing from Montreal were considerably greater than in any previous year. Vancouver continues to increase in importance as a port for the shipment of western grain, nearly one hundred million bushels having been exported through Vancouver in 1928. The ports of Halifax and Saint John have had increased business, and extensive harbour improvements and expansion of terminal facilities are being constructed to take care of the development of trade with the West Indies, to which the inauguration of a splendid Canadian steamship service will contribute, and the enlarged sailing schedules of trans-Atlantic steamers.

Canadian trade increased by about $270,000,000 and its aggregate of about $2,600,000,000 is now the highest per capita of all the trading nations of the world. Though there are twenty-seven countries with a larger population, only four have a greater volume of trade. Canada also stands first in per capita trade balance, third in absolute trade balance, fifth in total exports and second in per capita exports.

In accordance with my practice for the past eighteen years I visited all our Western Branches last Autumn, and was afterwards able to also visit our Offices in Saint John and Halifax. From such observations as I am capable of making, as well as from facts such as those I have brought to your notice, I believe it may confidently be asserted that Canada has taken a long step across "the threshold of that era of expansion and development" predicted for it by the Prince of Wales on his return to London after his visit to Canada in 1927.

In the early months of 1928, as was the case during the greater portion of 1927, the money market was in a very easy condition, abundance of funds were available for loaning and our Provincial Governments were finding a market for new issues of bonds at prices to yield as low as 4.25%, 4.20% and in one instance even 4.10%. In the early summer the situation was reversed with a suddenness that was almost dramatic and from that time we have been experiencing a rather acute financial stringency. The almost unprecedented volume of new construction, the huge expansion which took place in practically all lines of industry and the diversion of large sums to the speculative markets, combined to absorb the previously abundant supply of funds, and a condition which at first was considered merely temporary has continued to the present with some uncertainty as to when an easier money market may return. As a result, our funds were more than usually fully invested during the latter portion of the year and we could have profitably employed considerably larger sums if they had been available.

The Report and Statement so well speak for themselves that comment thereon must largely be in the nature of a repetition of remarks I have made in former years.

In arriving at our Net Profits, as shown in the Report, every conceivable deduction has been made, including provision for taxes yet to be paid, as well as those actually disbursed in 1928. All expenses and charges of every kind which had to be incurred in acquiring the business and assets of the "Canada Landed" have been written off, as have also all charges associated in any way with the expansion of our business in other directions. In addition to losses sustained, provision which we believe is more than ample has been made for future losses.

The book values of securities owned by the Corporation are all at less than present market quotations. Where appreciation has taken place in the selling values of securities the book values remain at cost or less, while deductions have been made which more than offset any depreciation in market values.

The Capital Stock of The Canada Permanent Trust Company is carried in our Assets at par, though its reserve and surplus give it a value of more than 135. Our Trust Company is each year enlarging its sphere of service and is beginning to occupy the larger and more important place in the community, to which its nation-wide organization and unexcelled facilities entitle it. The assets under its administration increased in 1928 by more than two and one-half million dollars and now aggregate $19,870,526.63. In the combined Assets of our two Companies, therefore, your Directors and Officers are administering upwards of $87,000,000.

There has been a satisfactory reduction in the aggregate of our real estate held for sale. This reduction is even larger than is evidenced by a comparison with the Statement of the previous year, as on 1st January, 1928, we added about $93,000 of properties included in the Assets of the Company we took over on that date. The book value of the real estate remaining unsold is less than three-quarters of one per cent. of our Assets.

We have no property remaining on hand for sale in either Alberta or Saskatchewan, all lands in those two Provinces acquired either through our own investments or as a result of the purchase of the business of other companies having been disposed of. Of the real estate we yet have for sale, a large proportion consists of farm lands in Manitoba. In recent years Manitoba has made a rather negligible contribution to the wheat crop of Western Canada. A large proportion of the farm lands in that Province are very badly infested with weeds, and in certain portions of the Province farmers have sustained severe losses through flooding. Until provincial authorities formulate an effective scheme of drainage and an adequate policy of grappling with the weed menace, Manitoba farm lands will not be in as great demand as those further west. The future success of Manitoba agriculture will depend in a considerable degree upon the extent to which its farmers recognize the almost peremptory necessity of a much greater extension of their operations into dairying, stock-raising and other forms of diversified farming. In many parts of the Province there are excellent opportunities awaiting the progressive agriculturist with a little capital, combined with a practical knowledge fitting him for this line of endeavour.

The future importance of Manitoba appears to be dependent more upon its industrial development, which is making very satisfactory progress, than upon its agriculture. Both the number of factories in Manitoba and the value of their output again increased in 1928. The estimate of the manufacturing production was nearly $16,000,000, an increase of $27,000,000 over that of 1927. The northern Manitoba mining camps give promise of making an important contribution in the comparatively near future to the wealth of the country and in the meantime are providing employment for considerable numbers and putting much money into circulation. It is officially estimated that the expenditure of Manitoba mining companies in 1928 was nearly five million dollars.

As was the case in Ontario a few decades since, industrial development and expansion will afford a home market for the diversified products of well-managed farms and in due time we may expect a rehabilitation of Manitoba agriculture. Meantime we shall dispose of our lands as rapidly as possible and are in a position to do so at prices which are very attractive to prospective purchasers.

Early in the Autumn we began the erection of our new office premises on the land purchased at the beginning of last year. Our Shareholders are, we believe, familiar with the general features of our new building which received much favourable notice when made public. In addition to our site being one which cannot be excelled, the new premises will not only provide the much needed facilities for the proper conduct and expansion of the business of our two Companies but will also be a credit to our rapidly growing City. We expect, if nothing unforeseen should occur meantime, that our next Annual Meeting will be held in our new and more commodious quarters.

We have presented a Statement which we believe you will regard as eminently satisfactory. The results which are achieved from year to year are not due to the efforts of any one individual. I am not too modest to expect or even to claim a due measure of credit for them, but without the co-operation and support of my able assistants at Head Office, of the Managers of all our Branch Offices and of our large staff throughout the Dominion, most of whom have acquired their training and experience in our own service, the annual production of these more than satisfactory exhibits would be impossible. I cheerfully bear testimony to their loyalty to the Corporation and zeal in promoting its interest, and on your behalf, as well as my own, offer them our most sincere thanks.

The First Vice-President, Mr. E. R. C. Clarkson, seconded the President's motion and said:

The operations of the past year enable us to present to our Shareholders a record of advancement in the volume of our business and in the profits arising therefrom which I believe will be considered highly satisfactory.

We have added another to the many years of continued progress, steadily increasing our investments and at the same time augmenting our Reserves, and the figures bear testimony to the untiring zeal, ability and experience of our General Manager and his assistants.

These exhibits of annual expansion come to us with such regularity that we are prone to accept them as a matter of course without due recognition of the fact that they are the results of adequate causes. It may, therefore, be an opportune time to review some of the accomplishments of recent years.

The present General Manager succeeded to his position, after more than forty years of apprenticeship, in the Autumn of 1922, at the period of our deepest depression arising from the post-war deflation, more especially of the values of farm lands. At the end of that year our Assets totalled $41,365,608. They now amount to $67,167,242, an increase of $25,801,634, or upwards of 62 per cent. Our Net Profits in that year were $903,019.30. They have increased year by year and in 1928 amounted to $1,046,788. In the same six years, our Deposits have increased from $7,284,884 to $14,465,550, or nearly 100 per cent. Debentures payable in Canada were then $4,791,919 and now aggregate $24,247,436.

At the end of 1922 the Assets of our Trust Company were $5,630,706. On the 31st December, 1928, they amounted to $19,870,526, an increase of $14,239,820, or 240 per cent. In this six years' period the aggregate Assets of our two institutions increased by more than Forty million dollars, from $46,996,315 to $87,037,768. The Reserve and surplus funds of the Mortgage Corporation have increased from $7,334,155 to $8,098,919 and those of our Trust Company from $161,551 to $357,369.

These are evidences of very substantial progress of which all the other Directors, as well as our General Manager, are justly proud. I believe it will interest our Shareholders for me to say that I do not know a General Manager of any other financial institution who has kept and continues to keep in as close personal contact as Mr. Smith does with our widespread field of operations. For many years he has not missed at least one visit annually to all our Western Provinces. I have journeyed with him through the West to the Pacific and also to our Offices in the Maritime Provinces. He does not content himself with observations from train windows and conferences in our offices but annually motors many hundreds of miles making himself acquainted with the districts in which we have investments and familiarizing himself with changing conditions therein.

In a few days Mr. Smith will complete forty-seven years of active service with the "Canada Permanent." I think you will agree that it is not only fitting that we should give this expression of our satisfaction with services ably rendered over so long a period, but also that the facts to which I have called your attention are of very great interest to all our Shareholders.

It is the most earnest desire of all the Directors that we should in the future, as in the past, fulfil to the utmost of our ability our duty to the public as a great mortgage investment company, keeping our reserves as strong as human ingenuity can devise and by affording our customers and clients the utmost in the way of security and service, maintain and increase the confidence in the old "Canada Permanent" of the many thousands who now transact business with us in one or more of the many ways in which we can serve them and at the same time continue to attract the new funds upon which our further expansion depends.

I have very great pleasure, Mr. President, in seconding your motion to adopt the Report.

CANADA PERMANENT MORTGAGE CORPORATION

REPORT OF THE DIRECTORS

The Directors have much pleasure in submitting to the Shareholders the Annual Statement of the affairs of the Corporation for the year 1928, accompanied by the Balance Sheet and Certificate of the Auditors.

The balance at the credit of Profit and Loss at the beginning of the year was		$ 392,131.00
The net profits for the year, after deducting interest on borrowed capital, expenses of management and all charges and losses, after paying all Taxes due and providing for all accrued Taxes and after making provision for possible losses and contingencies, were		$1,046,788.69
Making available for distribution		$1,438,919.69
This sum has been appropriated as follows:—		
Four quarterly dividends of Three per cent. each on the paid-up Capital Stock	$ 840,000.00	
Transferred to Reserve Fund	500,000.00	
Balance carried forward at credit of Profit and Loss	98,919.69	
		$1,438,919.69

The Reserve Fund now amounts to $8,000,000.00, being $1,000,000.00 in excess of the paid-up Capital.

All which is respectfully submitted.

W. G. GOODERHAM, President.

Toronto, January 16th, 1929.

FINANCIAL STATEMENT 31st December, 1928

ASSETS

Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock (Ontario), Halifax, Brantford, Victoria		$ 1,955,708.63	
Real Estate held for Sale		480,481.61	
Mortgages on Real Estate:—Principal	$57,807,284.85		
Interest	770,841.00		
		58,578,125.85	
Loans on Bonds, Stocks, etc.		103,516.96	
Bonds of Dominion of Canada and Provinces of Canada		866,156.50	
Bonds guaranteed by Dominion of Canada and Provinces of Canada		387,473.48	
Bonds of Canadian Municipalities		370,806.94	
Other Bonds and Debentures		1,367,144.43	
Stocks—including $980,000 of The Canada Permanent Trust Company at par		1,447,500.00	
Cash in Chartered Banks and on Hand		1,610,327.85	
			$67,167,242.25

LIABILITIES

To the Public—		
Debenture Stock and accrued Interest (£174,816 2s. 5d.)	$ 850,771.80	
Debentures—Sterling—and accrued Interest (£2,523,689 9s. 10d.)	12,281,955.52	
Debentures—Currency—and accrued Interest	24,247,436.66	
Deposits and accrued Interest	14,465,550.66	
Sundry Accounts	12,607.92	
		$51,858,322.56
To the Shareholders—		
Capital Stock subscribed and fully paid	$ 7,000,000.00	
Reserve Fund	8,000,000.00	
Dividend payable 2nd January, 1929	210,000.00	
Balance carried forward at Credit of Profit and Loss	98,919.69	
		$15,308,919.69
		$67,167,242.25

W. G. GOODERHAM, President.
GEORGE H. SMITH, General Manager.

AUDITORS' REPORT TO THE DIRECTORS

We beg to report that we have audited the books of the Canada Permanent Mortgage Corporation for the year ending 31st December, 1928, and have verified the cash, bank balances and securities of the Corporation.

That we have examined the foregoing statement and that it agrees with the books of the Corporation.

That after due consideration we have formed an independent opinion as to the position of the Corporation.

That after our independent opinion was formed and according to the best of our information and the explanations given us, we certify that, in our opinion, the statement sets forth fairly and truly the state of the affairs of the Corporation.

That all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER, C.A.
HENRY BARBER, F.C.A., of Henry Barber, Mapp and Mapp, } Auditors

Toronto, January 11th, 1929.

The following Directors were unanimously re-elected: W. G. Gooderham, E. R. C. Clarkson, Col. A. E. Gooderham, F. Gordon Osler, George W. Allan, K.C., of Winnipeg; Archibald B. Campbell, W.S., of Edinburgh; William Stone, George H. Smith, Norman Mackenzie, K.C., of Regina, and John A. Rowland, K.C.

At a subsequent meeting of the Board of Directors, Mr. W. G. Gooderham was re-elected President, Mr. E. R. C. Clarkson, First Vice-President, and Mr. George H. Smith, Second Vice-President.

General Manager—GEORGE H. SMITH. Secretary—WALTER F. WATKINS.

Inspector of Branches—ROBERT HENDERSON.
Manager, Ontario Branch—CHARLES S. ROBERTSON.

Sawyer-Massey

Good Progress is Reported by Company Under New Management

Public investment interest in Sawyer-Massey Ltd., consists of the no par value stock given in exchange for the old preferred stock and common stock of Sawyer-Massey Co., Ltd., which was liquidated a few months ago after the plant and goodwill had been acquired by the new company. The new company took over the assets and liabilities of the old company, and the shareholders of the old company received 16,500 shares of the total of 50,000 shares of the new company's stock which was issued. In addition, the new company provided $600,000 of working capital.

The new company has not published its report, but it is understood from reliable sources that substantial progress has been made. The company manufacturers a threshing machine which is considered as good as any in the market and is the threshing machine which is marketed by the Massey-Harris Company throughout the world. In addition the company is building a good business in its road machinery department and in the sale of motor tractors.

Capitalization—

	Authorized	Outstanding
Common	50,000 shs.	50,000 shs.
No par value.		

Of the authorized amount 16,500 shares were issued in acquisition of the predecessor company.

Funded Debt—
First mortgage 6 per cent. bonds, due 1942, $600,000.

Officers and Directors—
T. A. Russell, chm. and pres.; G. R. Cottrelle, vice-pres.; H. R. Gillard, sec. and treas.; J. P. McRae, gen. mgr.; T. A. Drummond, supt.; A. J. Young, pur. agt.; J. F. Lash, C. J. Harris, J. B. Warnock, H. R. Champ.

Perfection Glass

Company Will Show Operating Profit for Past Fiscal Year

The Perfection Glass Company has experienced better operating results in the past year, and sales for 1928 are understood to have been about 50 per cent. larger than those of the previous year. The company's annual report will show an operating profit in the income account, as opposed to a deficit of $143,000 in 1927. While profits as yet are only small, a comparison with last year's results shows that the management has made excellent progress.

Perfection Glass is the largest company, in its particular line, in Canada. Its output consists of all kinds of flat glass, including such products as bullet-proof glass. The company has been in operation since the beginning of 1926, its early operations being carried on in five small plants, which have now been abandoned for one large plant.

While the shares of the company are undoubtedly speculative, the speculative merits of the stock have been materially improved in the past twelve months. In their class, the shares are not without attractions due to the improving earnings of the company coupled with the successful efforts which the management is making steadily to improve the earning power of the undertaking.

Capitalization—

	Authorized	Outstanding
Common	300,000 shs.	183,950 shs.
No par value.		

Funded Debt—
None.

Dividend Record—
None.

Officers and Directors—
A. W. Holmested, pres.; D. McLaren, vice-pres.; J. H. Charles, gen. mgr. and sec.; J. J. McFadden, J. P. Anglin, F. E. Smith.

Income Account, Years Ending December 31

	1927	1926
xGross profits	$ 16,798	$182,274
Expenses	138,244	135,389
Balance	*121,446	46,885
Depreciation	25,539	5,663
Loss on uncompleted contracts	9,000	......
Bad and doubtful debts	3,550	......
Dividend	......	21,492
1926 taxes	3,177	......
Balance	*162,712	19,730
Previous surp.	19,730	......
Surplus account	*142,982	19,730

xFrom sales in 1927 of $502,806; in 1926 of $182,254.
*Deficit.

Market Record—

	H	L	H	L
Common	8¾	1⅜	5	3¼

*To Jan. 22.

T. E. Bissell

T. E. Bissell Co. is one of smaller manufacturers of agricultural implements. The company became of public investment interest in 1928 with an offering of preferred and common stock. The company has been in existence since 1899 and relatively is one of the most successful companies in the agricultural implement business.

Capitalization—

	Authorized	Outstanding
Common	20,000 shs.	10,000 shs.
No par value.		
Pref. 7% cum.	$300,000	$250,000
Convertible redeemable, par $100.		

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly Jan., Apr., July, Oct. 1.

Officers—
T. E. Bissell, pres.; T. C. Wardley, gen. mgr.; G. Mains, supt. of manufacture.

Market Record—

	1928 H	1928 L	*1929 H	*1929 L
Common	36½	30	45	35
Preferred	110	102	130	130

*To Jan. 22.

Roby's Products

Roby's Products, Ltd., is a company manufacturing special brands of paints, etc., for use on ironwork and for other outdoor purposes where corrosion is a factor in the cost. The company apparently has made some little progress in the last two or three years.

The investment at this time has the disadvantage of lack of marketability. This disadvantage will, of course, continue so long as treasury stock is being sold to the public. It is said that a year or two must elapse before the issue has been distributed entirely. The slow process of distribution is a deliberate policy as the company's program of development and expansion does not require all of its capital at one time.

Capitalization—

	Authorized
Preferred	100,000 shs.
Par value $10.	
Common	200,000 shs.
No par value.	

Officers and Directors—
Albert Roby, Sr., pres.; Jas. W. Bolton, vice-pres.; T. A. Vipond, sec.-treas.; Albert Roby Sr., Jas. W. Bolton, T. A. Vipond, Frank H. Cole, H. W. Cameron.